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ABSTRACT

A study was conducted to examine federally assisted employment and training programs in the Tidewater, Virginia, area during fiscal year 1977. The General Accounting Office found forty-four programs with similar goals attempting to assist virtually the same people. These were authorized through sixteen separate legislative authorities, creating a maze of funding and administrative channels. Recommendations were made that the Congress and the Director, Office of Management and Budget, simplify the federal effort through consolidation of programs where feasible and take steps to achieve more effective coordination. (Author/CSS)

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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

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Federally Assisted Employment And Training: A Myriad Of Programs Should Be Simplified

This report "takes a picture" of federally assisted employment and training programs in the Tidewater, Virginia, area during fiscal year 1977.

GAO found 44 programs with similar goals attempting to assist virtually the same people. These were authorized through 16 separate legislative authorities, creating a maze of funding and administrative channels.

The report recommends that the Congress and the Director, Office of Management and Budget, simplify the Federal effort through consolidation of programs, where feasible, and take steps to achieve more effective coordination.

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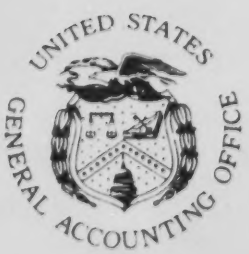

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HRD-79-11

MAY 8, 1979

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-163922

To the President of the Senate and the
Speaker of the House of Representatives

This report describes 44 federally assisted employment and training programs administered by five Federal departments, three independent Federal agencies, and a Federal Regional Council. Questions concerning why so many programs are available to the same general universe of people, how such multiple efforts are coordinated to prevent overlap and duplication among programs, and whether these programs are meeting the needs of their clients and of employers prompted our review. The report contains recommendations that call for a more streamlined and coordinated employment and training delivery system.

We are sending copies of this report to the Director, Office of Management and Budget and to Federal departments and agencies responsible for programs described in this report.

Comptroller General
of the United States

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING: A MYRIAD OF PROGRAMS SHOULD BE SIMPLIFIED

D I G E S T

The Federal Government funds a complex and increasing network of employment and training programs. In fiscal year 1977, Federal spending for such programs amounted to over $9 billion. Most of these programs are aimed at the same people--the disadvantaged or unemployed.

Because so many programs are attempting to aid the same people, GAO wanted to find out how such multiple efforts are coordinated and whether they are meeting the needs of those people and of employers.

This report examines Federal employment and training programs in the Tidewater, Virginia, area--a well-defined and appropriately sized area. Located in the southeastern part of the State, it includes Isle of Wight and Southampton counties and six cities: Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach.

Tidewater is essentially one integrated economic and social unit in that virtually all of its population is included in a designated standard metropolitan statistical area. Its unemployment rates generally have been below national rates. It is also similar to the Nation as a whole in business activities, such as construction, trade, and services.

Federal employment and training programs use many different approaches--public service employment, institutional training, on-the-job training, vocational rehabilitation, work experience, and job placement assistance.

The effectiveness of Federal efforts to make people employable and place them in permanent unsubsidized jobs is impeded by a number of

problems. These problems, which involve program proliferation and coordination, have been reported as national concerns by the Advisory Commission on Intergovernmental Relations, the National Commission for Manpower Policy, and the Commission on Federal Paperwork.

Since local areas receive Federal assistance to operate most employment and training programs identified in this report, the conditions described may be representative of what is happening in other metropolitan areas in the Nation.

EMPLOYMENT AND TRAINING REFORMS IN 1973

Over 5 years ago, the Congress took action to address the complex Federal system of employment and training programs funded under separate legislative authorities and aimed at specific client groups. Serious problems were noted then in the multiplicity of programs and excessive duplication in employment and training services.

To reform the Nation's employment and training system, the Congress passed the Comprehensive Employment and Training Act of 1973. The act was a significant step in that it consolidated 17 separate Federal employment and training programs and remains the major Federal effort for providing employment and training services. Also, it gave State and local authorities a greater role in planning and managing programs and channels most of its program funds through local administering agencies. Instead of the Department of Labor operating employment and training programs through almost 10,000 grants to and contracts with public and private organizations, grants are awarded to some 450 prime sponsors--generally State or local governments.

INCREASING NUMBER OF EMPLOYMENT AND TRAINING PROGRAMS

In fiscal year 1977, a total of 44 federally assisted employment and training programs were operating in the Tidewater area. The major Federal effort was funded under the Comprehensive Employment and Training Act. Most of the Federal assistance funds to the area were channeled through one local administering agency. That agency had direct responsibility for administering only five programs but received almost two-thirds of the $24.2 million in Federal assistance funds for the area.

Collectively, federally assisted programs served at least 70,604 participants in the area. One program served only 2 participants while another served about 55,500. The programs involved 5 Federal departments, 3 independent Federal agencies, 1 Federal Regional Council, 26 national organizations or State agencies, and more than 50 local administering agencies. (See pp. 13 to 15.)

The 44 Tidewater programs represent 16 separate legislative authorities. Thirteen programs are based on specific legislative provisions, whereas the remaining 31 stem from the authority vested in Federal and State agencies to establish discretionary local programs. The result is a vast network of special emphasis program categories characterized by

--programs with similar goals and target groups of unemployed and disadvantaged people,

--Federal moneys that follow a variety of administrative channels before reaching the people to be served, and

--a complex and confusing approach to helping individuals obtain training or become gainfully employed.

The Federal Government has been very responsive to employment and training problems but tends to respond to such problems by creating separate programs. The maze of programs calls attention to the need to streamline the federally assisted employment and training system. (See chart on p. 17.) While the large number and variety of programs tend to insure that a program is available to meet a defined need, problems occur when State and local governments have to administer many programs to meet those needs. (See pp. 15, 17, and 20.)

DIFFICULTIES IN COORDINATION, PLANNING, AND EVALUATION

The increase in employment and training programs intensifies the need for coordinated planning at all levels--Federal, State, and local. Although some coordination was taking place, no Federal, State, or local organization was responsible for coordinating all the programs. (See pp. 22 and 25.)

Legislation related to employment and training programs in the Tidewater area reveals a wide range of coordination requirements. The laws vary from making no mention of coordination to giving broad, blanket statements that coordination to the extent possible or feasible is required. This lack of specificity made it difficult to determine whether Tidewater area program agents were fulfilling coordination requirements.

The Comprehensive Employment and Training Act of 1973 gave States an important role in administering employment and training programs. It provided a strong potential at the State level for minimizing the effects of proliferation of such programs. Amendments to the act in 1978 created an even stronger potential to minimize proliferation effects, but authority still does not exist to modify program operations to effectively coordinate all efforts. (See pp. 24 and 27.)

Furthermore, effective coordination would require that information be available on the existence of programs. No central source of information was available on federally assisted employment and training programs in the Tidewater area. It appears that program agents administer programs without full knowledge of what others are doing. (See pp. 28 and 29.)

Evaluations of the overall effectiveness of programs and their economic impact would be difficult, if not impossible, due to the lack of good data on the local labor market. Reliable data on specific skill needs or changes in needs of area employers and unemployed were not available. Also, required reports on program results generally did not permit evaluation of individual program effectiveness. (See pp. 29 and 32.)

GAO believes the key to improved administration is consolidation of similar programs and a more streamlined employment and training delivery system. This would help centralize management control and provide a balanced approach, thus facilitating managers' evaluation of program results.

EMPLOYERS' EXPERIENCE WITH EMPLOYMENT AND TRAINING PROGRAMS

One of the most important tests of the programs' effectiveness is whether participants actually obtain and keep jobs. To obtain information on this, GAO sent a questionnaire to a sample of Tidewater employers. The results showed that

--few employers had hired employees in the past 3 years from federally assisted employment and training programs and

--the job retention rate was 22.3 percent for those hired from the programs and still with the employer of original placement.

Employers rated abilities and work of participants as adequate or better much more frequently than as inadequate. (See pp. 34 to 36.)

Responses to GAO questionnaires also indicated that

--walk-in applicants and classified ads were the two most frequently used ways employers obtained employees,

--almost half of the employers had never been contacted by job developers or placement specialists, and

--job developers and placement specialists tended to concentrate their efforts on Tidewater's larger employers.

Employers who had hired participants from the employment and training programs had a greater tendency to use job developers or placement specialists when hiring employees. Employers who had not hired program participants cited no referrals by program agents and no applications from participants as the major reasons. (See pp. 33, 35, and 37.)

RECOMMENDATIONS

The Director, Office of Management and Budget, with the assistance of the Secretary of Labor should

--explore ways to streamline the employment and training system, including consolidation of programs where feasible and

--submit proposed legislation to the Congress for program consolidation where necessary.

In the interim, the Director should emphasize to Federal, State, and local agencies administering employment and training programs, the need to coordinate the planning and operation of all such programs.

The Congress should

--on the basis of the executive branch's proposals regarding program consolidation, amend employment and training legislation to reduce the number of separate programs and

--in amending employment and training legislation, ensure that appropriate organizational arrangements are mandated to improve coordination and integration of federally assisted employment and training programs. (See p. 40.)

AGENCY COMMENTS

The Office of Management and Budget expressed concern that GAO's findings and recommendations are too general.

The Department of Labor's comments reinforce GAO's findings, and Labor agreed to cooperate with the Office of Management and Budget in any efforts to explore ways to streamline the employment and training system.

Labor and the Virginia Governor's Manpower Services Council said that before GAO recommends legislative changes, it would seem appropriate to wait and see what effect the recently enacted coordination requirements in the Comprehensive Employment and Training Amendments of 1978 will have. GAO disagrees. Given the sheer number and variety of programs, effective coordination is still difficult at best. The key to significantly improved program administration is fewer programs and a more streamlined employment and training system. (See p. 40.)

Contents

		Page
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	Tidewater, Virginia	1
	Issues and approach	2
	Scope of review	4
2	OPPORTUNITIES EXIST TO STREAMLINE THE ADMINISTRATION OF FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS	6
	Brief history of Federal efforts	6
	CETA consolidated many programs	9
	Programs proliferate again	11
	Proliferation in Tidewater	13
	Maze of funding and administrative channels	15
	Opportunities to streamline program administration	16
3	PROLIFERATION MAGNIFIES PROBLEMS IN FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS	22
	Coordination among programs is a problem	22
	Lack of specificity in coordination requirements	22
	Recent legislative changes affecting coordination	27
	Lack of a central source of information on programs in the area	28
	Inadequate data to plan and evaluate federally assisted efforts	29
	Inadequate data for planning programs	29
	Difficulties in evaluating results of federally assisted efforts	31
4	EMPLOYERS' OPINIONS OF FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS	33
	Overall results	33
	Comparison of employers who had hired from federally assisted employment and training programs to those who had not	34

CHAPTER		Page
5	CONCLUSIONS AND RECOMMENDATIONS	38
	Conclusions	38
	Recommendations to the Director, Office of Management and Budget	40
	Recommendations to the Congress	40
	Agency comments and our evaluation	40
APPENDIX		
I	Map of the Tidewater, Virginia, area	46
II	Comparison of unemployment trends for the Nation and the Tidewater standard metropolitan statistical area from 1974-77	47
III	Comparison of industry shares of nonfarm wage and salary employment for the Nation and the Tidewater standard metropolitan statistical area for 1976	48
IV	Federally assisted employment and training programs in the Tidewater, Virginia, area funded during fiscal year 1977 under specific provisions mandated by Federal law	49
V	Federally assisted employment and training programs in the Tidewater, Virginia, area funded during fiscal year 1977 by discretionary actions of Federal or State agencies under general provisions of Federal law	52
VI	Letter dated January 15, 1979, from the Deputy Director, Office of Management and Budget	60
VII	Letter dated January 16, 1979, from the Inspector General-Acting, Department of Labor	62
VIII	Letter dated January 4, 1979, and attachment from the Secretary of Commerce and Resources, Commonwealth of Virginia	64
IX	Letter and enclosure dated December 18, 1978, from the Executive Director, Southeastern Tidewater Area Manpower Authority	66

ABBREVIATIONS

CETA	Comprehensive Employment and Training Act
GAO	General Accounting Office
OMB	Office of Management and Budget
WIN	Work Incentive program

CHAPTER 1

INTRODUCTION

The Federal Government has devised many varied programs to help alleviate the problems of unemployment and underemployment. In fiscal year 1977, over $9 billion in Federal funds were expended for employment and training programs. These programs involve many different approaches--such as public service employment, institutional training, on-the-job training, vocational rehabilitation, work experience, and job placement assistance. Some programs provide employment, some training, some placement in jobs, and some both training and placement. Many of these programs are aimed at specific categorical groups of people, but most are aimed at the same general universe--the unemployed and disadvantaged.

Federal employment and training programs are distinguished from regular educational programs by their operating characteristics. Generally, they (1) operate outside the regular public education system, (2) provide skill training for nonprofessional jobs, (3) provide services for less than 1 year, and (4) target on the disadvantaged or unemployed.

Our review was prompted by questions concerning why so many programs are available to the same general universe of people, how such multiple efforts are coordinated to prevent overlap and duplication among programs, and whether these programs are meeting the needs of their clients and of employers. The area selected was Virginia's Planning District XX, referred to as the Tidewater, Virginia, area.

TIDEWATER, VIRGINIA

Tidewater is located in the southeastern part of the State on the south side of the Port of Hampton Roads and the James River. The area encompasses 2,018 square miles of land, and contains six cities: Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, and Virginia Beach; and two counties: Isle of Wight and Southampton. (See app. I for a map of the Tidewater area.) The area had an estimated combined population of 801,400 according to data projected from the 1970 census to July 1, 1974. The per capita income for 1974 was $4,984 and total personal income was $3,994.2 million. In fiscal year 1977, the civilian labor force averaged 308,000.

A number of factors contributed to selecting Tidewater for evaluation.

--Tidewater's unemployment rates have generally been below the national rates. (See app. II for a graph comparing unemployment in Tidewater to the Nation.)

--The area is essentially one integrated economic and social unit in that virtually all of its population is included in a designated standard metropolitan statistical area.

--The area has experienced generally good economic conditions.

--Civilian employment has not declined in recent years.

--A number of employment and training programs were known to exist in the area.

--A good mix of public and private employers is in the area, as well as in urban and rural areas.

--The industrial breakdown of nonfarm activities is somewhat similar to the Nation as a whole except for three categories--manufacturing, mining, and Government. Tidewater has a lower percent of manufacturing and mining employment and a higher percent of Government employment. (See app. III for comparisons.)

ISSUES AND APPROACH

We examined the employment and training programs operating in the Tidewater area in fiscal year 1977. We believe that since local areas receive Federal assistance to operate most employment and training programs identified in this report, the issues we addressed and the results we obtained may be representative of what is happening in other metropolitan areas in the Nation. The issues we examined were:

--How many federally assisted employment and training programs are available in the Tidewater area?

--Is there a central source of information on (1) the total number of programs available, (2) the variety of services offered, and (3) the number of people actually being served by the programs?

--Is there a reliable source of information which provides data on the supply and demand for job skills in the area?

--Is there an evaluation of the actual needs of the area prior to implementing new programs?

--Is there good coordination between delivery agents to prevent overlap and duplication of effort?

--Is it possible to determine the overall effectiveness of these programs?

These issues relate closely to national employment and training program issues on proliferation and coordination raised by the Advisory Commission on Intergovernmental Relations, the National Commission for Manpower Policy, 1/ and the Commission on Federal Paperwork. Our past studies indicate that these issues are not new to employment and training programs.

In our report summarizing our conclusions and observations on Federal manpower training programs, we pointed out that there had been a proliferation of Federal manpower programs and duplicate administrative systems for delivering manpower services. 2/ Also, in our report on the combined impact of all federally assisted manpower programs in the Atlanta, Georgia, area, we pointed out that there were significant differences in the methods used to assess enrollees' needs and that opportunities existed for improving the delivery of manpower services. 3/ Then, in our report on the manpower services for the disadvantaged in the District of Columbia, we found a maze of local systems for the delivery of similar job training and employment services to the same group of District residents. This maze resulted in a complex, confusing, and uncoordinated effort to assist clients in becoming gainfully employed. 4/

1/The Comprehensive Employment and Training Act Amendments of 1978 changed the Commission's name to National Commission for Employment Policy.

2/"Federal Manpower Training Programs--GAO Conclusions and Observations" (B-146879, Feb. 17, 1972).

3/"Opportunities for Improving Federally Assisted Manpower Programs in the Atlanta, Georgia, Area" (B-146879, Jan. 7, 1972).

4/"Study of Federal Programs for Manpower Services for the Disadvantaged in the District of Columbia" (B-146879, Jan. 30, 1973).

SCOPE OF REVIEW

We performed our fieldwork at the following locations during calendar year 1977:

--Employment and Training Administration, Department of Labor, Washington, D.C., and Department of Labor's regional office in Philadelphia.

--Department of Health, Education, and Welfare's regional office in Philadelphia.

--Veterans Administration's regional office in Roanoke, Virginia.

--Virginia Employment Commission's Headquarters in Richmond and local offices in Tidewater, Virginia.

--Southeastern Tidewater Area Manpower Authority, Norfolk, Virginia.

--Southeastern Tidewater Opportunity Project, Norfolk, Virginia.

--Southeastern Virginia Planning District Commission, Norfolk, Virginia.

--Local institutions of postsecondary education, Tidewater, Virginia.

--Governor's Manpower Services Council, Richmond, Virginia.

--Employment and training delivery agents in the Tidewater, Virginia, area.

We discussed program activities with employment and training officials at the various locations. Through a questionnaire sent to a random sample of Tidewater employers, we obtained their views on federally assisted employment and training programs, their preferred means of recruiting and hiring employees, and other pertinent information.

We reviewed applicable legislation, regulations, State plans, and other pertinent documents. We also reviewed several studies relating to federally assisted employment and training programs. These include studies by the Advisory Commission on Intergovernmental Relations, the National Commission for Manpower Policy, and the Commission on Federal Paperwork.

We limited our review to programs that are designed to create employment, alleviate unemployment, or make people more employable. We identified programs through (1) contacts with various officials, (2) the Catalog of Federal Domestic Assistance, (3) newspaper articles, (4) television broadcasts, and (5) knowledge of staff members.

CHAPTER 2

OPPORTUNITIES EXIST TO STREAMLINE THE ADMINISTRATION OF FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS

Various legislative and administrative actions have been taken over the years to develop a comprehensive approach to provide federally assisted employment and training to unemployed and economically disadvantaged persons. The most comprehensive of these efforts was the enactment of the Comprehensive Employment and Training Act (CETA) in December 1973. Through CETA an assortment of employment and training programs were consolidated. The results we found in the Tidewater, Virginia, area show that opportunities exist to further streamline the administration of federally assisted employment and training programs.

In Tidewater during fiscal year 1977, we identified 44 federally assisted employment and training programs, 21 of which were authorized by CETA legislation. Many of the programs have similar goals and virtually the same target populations and a maze of funding and administrative channels exists. A graphic illustration of federally assisted employment and training programs in Tidewater is presented on page 17 with additional details in apps. IV and V.

Neither the original CETA legislation nor subsequent amendments brought all major employment and training programs under the CETA umbrella. Within CETA, the programs that have been designed by many Federal, State, and local agencies have contributed to further proliferation of the overall Federal effort. Further, the Congress has enacted additional legislation to meet various employment and training needs, and these efforts have furthered the proliferation of programs.

BRIEF HISTORY OF FEDERAL EFFORTS

Since the enactment of the first Federal program aimed at providing employment, there has been a continued growth and change in the services offered to the unemployed and economically disadvantaged. In 1917 the Federal-State vocational education program was authorized by the Smith-Hughes Act. The program offered job training for youth and adults and was the Federal Government's initial plunge into manpower programs.

Federal involvement gradually expanded through congressional action. The Congress attempted to help solve the country's employment and training problems by establishing the Vocational Rehabilitation Administration in 1920 and the United States Employment Service in 1933, and enacting the Employment Act in 1946 and the National Defense Education Act in 1958.

In the 1960s through the "New Frontier" and "Great Society" philosophies, the Congress made a concerted national effort to alleviate employment-related problems, particularly among the disadvantaged. Between fiscal years 1961 and 1970, Federal manpower outlays increased from $520 million to about $3.5 billion per year. This increase in outlays was primarily due to programs authorized by three major pieces of legislation--the Area Redevelopment Act, the Manpower Development and Training Act of 1962, and the Economic Opportunity Act of 1964.

The Area Redevelopment Act, passed in 1961, included provisions which authorized programs for occupational training and retraining to alleviate substantial and persistent unemployment and underemployment in certain economically distressed areas. The programs authorized by the Manpower Development and Training Act were aimed at increasing the employment of skilled and unskilled workers through training, job creation, and work experience. The Economic Opportunity Act targeted resources to the poor, racial minorities, youth, and other segments of the population most adversely affected by unemployment. It authorized skill training, job placement, and support services. The Area Redevelopment Act expired in 1965 and its training provisions were incorporated into the Manpower Development and Training Act.

In 1965 the Congress passed the Public Works and Economic Development Act of 1965 which was an outgrowth of prior legislation, including the Area Redevelopment Act. The Public Works and Economic Development Act included provisions which authorized grants and loans for public works and development facilities to assist in creating additional long-term employment opportunities and to benefit primarily the long-term unemployed and members of low-income families.

The Congress continued to enact new programs to deal with still emerging employment-related problems. For example, the Social Security Amendments of 1967 authorized the Work Incentive (WIN) program to provide skills and job training for public assistance recipients. WIN was the successor program to the Community Work and Training program which was

started in 1962 and was discontinued on June 30, 1968, and the work experience and training program which was started in 1964 and was discontinued on June 30, 1969. Experience under these two earlier programs indicated that, to provide effective assistance to welfare recipients, a much greater effort would be required than was possible under these programs, and therefore WIN was authorized as a new work training program.

The Emergency Employment Assistance Act followed in 1971, and it authorized transitional employment in jobs providing needed public services and, when feasible, related training and manpower services to enable such persons to move into employment or training not supported under the act.

By the late sixties, there were numerous employment and training programs involving many Federal departments and agencies. Program historians have said that the number of programs proliferated into a "complicated administrative maze." Coordination was a problem even within the various Federal departments. For example, by 1967 the Department of Labor's Manpower Administration had almost 10,000 grants and contracts for the various categorical programs under its jurisdiction.

Beginning in 1967, efforts were underway to solve the problems created by massive Federal efforts, lack of coordination, and overlap and duplication among programs. These efforts resulted in the Concentrated Employment Program, the Cooperative Area Manpower Planning System, and the Comprehensive Manpower Program. They were intended to reduce fragmentation and decentralize responsibility for planning and operating these programs from a central authority to the local jurisdictional bodies--usually community action agencies--where the programs actually operated. While all three efforts provided insights for charting the direction of change in manpower planning and programing, there was still a myriad of program authorizations, guidelines, target groups, and delivery mechanisms.

The Congress, recognizing the need for a program which would provide the related services needed by clients through a single comprehensive effort, in 1973 passed CETA. According

to a June 1977 report issued by the Advisory Commission on Intergovernmental Relations: 1/

> "Instead of the nationally oriented, narrowly focused approach taken in most existing federal categorical grants in this area, the framers of CETA sought to decategorize, decentralize, and unify the intergovernmental manpower system through the block grant instrument."

CETA, however, authorized essentially a hybrid block grant program, i.e., a mixture of block and categorical grants. Funds for block grants are awarded for specific purposes on the basis of an application or plan setting forth the intended use of funds. Categorical grants provide resources for specific purposes as long as certain minimum national standards contained in agency guidelines and regulations are followed. While they are similar, they differ in that categorical grants are for narrowly defined purposes and block grants are for more broadly or functionally defined purposes. Block grants also place greater reliance on State and local initiative and administrative machinery.

The original CETA legislation consisted of four basic program titles. Title I authorized comprehensive services in a single block grant, whereas the remaining basic titles authorized funds for categorical programs through either grants or contractual agreements. Title II specifically authorized a public service employment program for areas of high unemployment; title III authorized separate national programs for special target groups, such as migrant and seasonal farmworkers, American Indians, and youth; and title IV authorized a continuation of the Job Corps program for disadvantaged youth.

CETA CONSOLIDATED MANY PROGRAMS

CETA consolidated 17 former categorical grant programs. The legislation encompassed the services available under the

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1/"The Comprehensive Employment and Training Act: Early Readings from a Hybrid Block Grant," Advisory Commission on Intergovernmental Relations, Washington, D.C., 1977. The Commission was created by the Congress to monitor the operation of the Federal system and recommend improvements. It consists of representatives from the executive and legislative branches of Federal, State, and local government and the public.

Manpower Development and Training Act of 1962 (42 U.S.C. 2571), and parts of the Economic Opportunity Act of 1964 (42 U.S.C. 2701), and the Emergency Employment Act of 1971 (42 U.S.C. 4871). Previously, appropriations under these acts supported a variety of national categorical employment and training programs, including institutional training, Neighborhood Youth Corps, New Careers, Operation Mainstream, and Job Opportunities in the Business Sector programs. CETA did not include major programs authorized under other legislation, such as the employment service program (Wagner-Peyser Act--29 U.S.C. 49) and the WIN program (Social Security Act--42 U.S.C. 630). But CETA was instrumental in consolidating many Federal employment and training programs and, since 1973, has been the major Federal effort for providing employment and training services.

With the enactment of CETA, the Congress adopted the policy that certain employment and training programs would be operated through a decentralized and flexible system of Federal, State, and local programs to provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed persons to make sure that such training and support services lead to maximum opportunities and the improved self-sufficiency of program participants. Under CETA all States, and all cities, counties, and combinations of local units of government having 100,000 or more population can receive Federal grants for employment and training activities. Some smaller units and rural areas may also qualify. Currently, the total number of qualifying units--referred to as prime sponsors--is about 450.

CETA gave State and local authorities a greater role than in previous programs in planning and managing employment and training programs. Instead of operating manpower programs through almost 10,000 grants to and contracts with public and private organizations, the Department of Labor now makes grants to 450 prime sponsors.

Prime sponsors may operate programs themselves or contract for services. CETA services include programs and activities such as:

--Outreach to make needy persons aware of available employment and training services.

--Assessment of individual's needs, interests, and potential; referral to appropriate jobs or training; and followup to help new workers stay on the job.

--Orientation, counseling, education, and classroom skill training to help people prepare for jobs or qualify for better jobs.

--Subsidized on-the-job training.

--Allowances to support trainees and their families and needed services such as child care and medical aid.

--Development of information concerning the labor market and activities, such as job restructuring, to make it more responsive to objectives of the manpower service program.

--Transitional public service employment programs to enable participants to move into unsubsidized jobs.

--Special programs for groups, such as Indians, migrants, ex-offenders, and youth.

PROGRAMS PROLIFERATE AGAIN

Although CETA was a significant step in consolidating many federally assisted employment and training programs, the effects of this consolidation effort have been lessened as additional programs have been authorized for special purposes or for particular target groups. In December 1974 a new title (title VI) was added to CETA authorizing a public service employment program as a countercyclical tool to get unemployed persons back to work. In August 1977, to deal with the severe youth unemployment problems, four additional youth programs were authorized under CETA even though youth programs were already in existence through other legislation and CETA titles. Also, with the enactment of the CETA Amendments of 1978 (Public Law 95-524, Oct. 27, 1978), 1/ two additional employment and training programs were authorized under

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1/Title I of the original CETA Act has been redesignated as title II of the CETA Amendments of 1978. Authorization for public service employment activities is contained in the reauthorized title II part D as well as title VI. The designation for special national target group programs, except for youth, remains title III in the new act. All programs specifically targeted to youths are now in title IV of the new act. References to CETA in this report are to the then-current 1973 CETA legislation rather than to the 1978 CETA amendments.

CETA--a title III program for the handicapped and a title VII private sector opportunities program for the economically disadvantaged.

Through the funding of categorical grant programs, the opportunity for prime sponsors to determine program mix and develop comprehensive employment services to meet local needs has diminished. To illustrate the point, in fiscal year 1975, about 42 percent of CETA's funds were earmarked for block grants to provide comprehensive services. In fiscal year 1977, only about 15 percent were earmarked for such services--in other words, 85 percent of the funds were earmarked for categorical grant programs. Much of this shift in funding is attributable to the enactment of public service employment under title VI of CETA.

Additional legislation has also been enacted authorizing categorical employment and training programs that are beyond the CETA umbrella. Although each of these programs is directed toward fulfilling a valid need, they contribute to the large number of programs which must be dealt with at the local level. For example, in December 1974 the Congress passed title X of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3246) to provide emergency financial assistance to stimulate, maintain, or expand job-creating activities in areas suffering from unusually high levels of unemployment, and the Public Works Employment Act of 1976 (42 U.S.C. 6707) was enacted to provide employment opportunities for unemployed and underemployed persons in areas of high unemployment through construction or renovation of useful public facilities.

In the June 1977 report issued by the Advisory Commission on Intergovernmental Relations, one of the major findings was that

> "Although 17 categorical grants were folded into title I, the CETA block grant did little to curb the historic fragmentation of federal manpower programs. Forty-seven separate authorizations for this purpose [Federal manpower programs] still exist and these are administered by ten federal departments or agencies."

The report recommended that the President and the Congress take immediate action to alleviate the rapid proliferation of manpower programs.

"In light of the rapid proliferation of manpower programs, their frequently competing or duplicating purposes and clientele groups, and spiraling federal outlays for these numerous activities, the Commission recommends that the President and the Congress give high priority to sorting out, redefining, and articulating clearly national manpower goals; to relating a range of coordinative management devices for their accomplishment at the community level; and to developing the necessary mechanisms for periodic evaluations of program progress and accomplishments."

The report further stated:

"As a long-term objective, the Commission is convinced that reorganization of the federal agencies responsible for administering manpower programs and consolidation and redirection of grants-in-aid to state and local governments in this area are essential means of bringing the highly fragmented existing employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity, and other programs into a more consistent, integrated, and coordinated strategy for meeting the manpower goals and needs of the nation's local communities in an efficient, effective, and equitable manner."

PROLIFERATION IN TIDEWATER

We considered an employment and training effort as a program if it had a separate contract or grant award made at the Federal or State level and had its own specific goal(s) and target population(s). In this context, grants for special purposes, such as vocational education under title I of CETA and special target groups under title III of CETA, were counted as separate programs. Such grants were awarded to meet separate needs of separate groups of individuals and therefore, have their own client groups and project design and require separate eligibility criteria and delivery mechanisms.

The federally assisted employment and training programs we identified are generally categorical grant programs. There were 44 such programs operating in the Tidewater area in fiscal year 1977. Combined annual funding for these programs was at least $24.2 million. They provided services

to at least 70,604 clients in fiscal year 1977 with one program serving only 2 participants while another one served as many as 55,468. The cost per program during fiscal year 1977 ranged from $4,867 to $5,832,800. (See apps. IV and V.)

We were able to obtain fiscal year 1977 funding information for 42 of the 44 programs identified. As indicated below, 4 Federal agencies have administrative responsibility for 35 programs and account for virtually all of the program funds.

Federal agency	Number of programs	Fiscal year 1977 funding	Percent of total
		(000 omitted)	
Department of Labor	27	$18,861	78
Department of Health, Education, and Welfare	3	2,055	8
Department of Commerce	3	1,544	6
Veterans Administration	2	1,408	6
ACTION	1	152	1
Department of Transportation	3	142	1
Department of the Interior	2	38	(a)
Federal Regional Council	1	18	(a)
Total	b/42	$24,218	100

a/Less than 1 percent.

b/Funding information not readily available for two programs.

The size of most of the programs, however, and the way they are scattered across Federal, State, and local agencies raise questions about the overall efficiency of the federally assisted employment and training effort.

The Department of Labor has administrative responsibility for CETA programs, and CETA accounts for 21 of the 44 programs identified. Of the $24.2 million in federally assisted employment and training programs, CETA amounts to $16.7 million. The local prime sponsor in Tidewater accounts for $15.8 million, or 65 percent, of the $24.2 million total, but had

direct responsibility for administering only 5 CETA programs and therefore, only 5 of the 44 total programs identified. The remaining 16 CETA programs amount to less than $1 million with individual program costs ranging from $7,042 to $149,174.

The 23 non-CETA programs involve five Federal departments, three independent Federal agencies, and a Federal Regional Council. The combined funding for these programs was at least $7.5 million, or about 31 percent, of the fiscal year 1977 funding for federally assisted employment and training programs in the Tidewater area. Individual program costs ranged from $4,867 to $1,531,395 with eight programs funded at less than $50,000. The pattern of increasing Federal employment and training efforts through separate categories of assistance has created an administrative structure involving different funding schemes and encompassing various combinations of Federal, State, and local agencies.

MAZE OF FUNDING AND ADMINISTRATIVE CHANNELS

The categorical approach to employment and training programs has created a maze of funding and administrative channels. The chart on page 17 diagrams the flow of funds and administration for each of the 44 programs identified as operating in the Tidewater area during fiscal year 1977. As can be seen, programs are originating in five Federal departments, three independent Federal agencies, and a Federal Regional Council. They are then funneled through a variety of channels, including more than 50 local administering agencies before actually reaching the people to be served. While we did not attempt to develop the administrative costs for the overall federally assisted effort, certainly the costs are considerable.

The chart also illustrates that few programs follow the same administrative pattern. Some programs flow trom the Federal level through various State levels before reaching the Tidewater area. Others go directly from the Federal level to the local administering agency and still others go through a public or nonprofit national office before reaching the Tidewater program agent.

Our 1973 report on 17 Federal employment and training programs in the Washington, D.C., area stated:

"GAO's study of the 17 Federal manpower programs revealed a maze of local systems for the delivery of similar job training and employment services to the same group of District residents. The providing of such services on an individual program approach resulted in a complex, confusing, and uncoordinated effort to assist those persons in becoming gainfully employed."

Some of these programs were brought under the CETA umbrella, while others no longer exist. However, for fiscal year 1977 in the Tidewater area, we found 44 programs similar or identical to the 17 identified in Washington, D.C., in 1973. Of the 44 identified, 21 were authorized by CETA legislation. The remaining 23 programs were authorized by 15 other separate legislative authorities. The fragmented federally assisted employment and training effort originates in the programs' authorizing legislation and extends through the delivery of services at the local level.

OPPORTUNITIES TO STREAMLINE PROGRAM ADMINISTRATION

In examining the extent of proliferation of programs with similar goals, we categorized the programs into the three groups shown below based on the primary goal or purpose of the program.

Programs designed to	Number of programs
Create employment	14
Train and/or upgrade skills	21
Place or refer to jobs	9
	44

Of the 14 programs designed to create employment, 4 provide part-time employment, 5 full-time employment, and 5 summer employment. Programs designed to train and/or upgrade skills provide training through such methods as classroom instruction, apprenticeships, and on-the-job training. Programs designed to place or refer individuals serve as a connecting link between clients and employers to refer eligible individuals to appropriate employment.

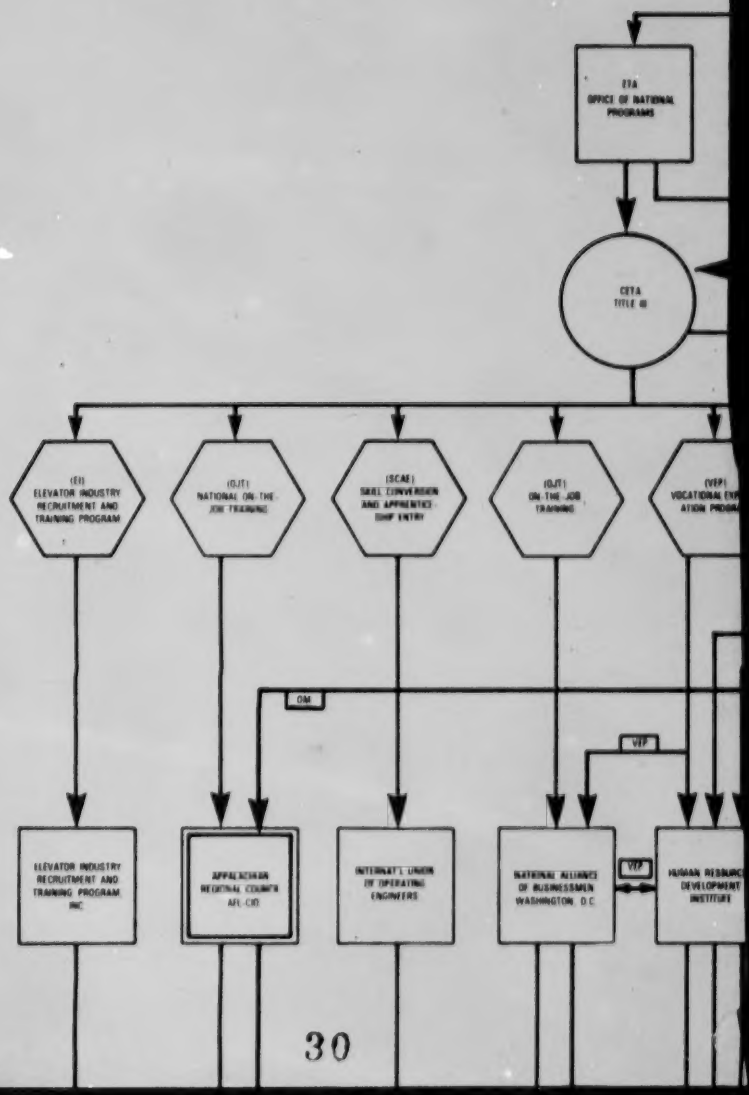
We then examined the 44 programs and categorized them on the basis of categorical target groups to be served. The results were as follows:

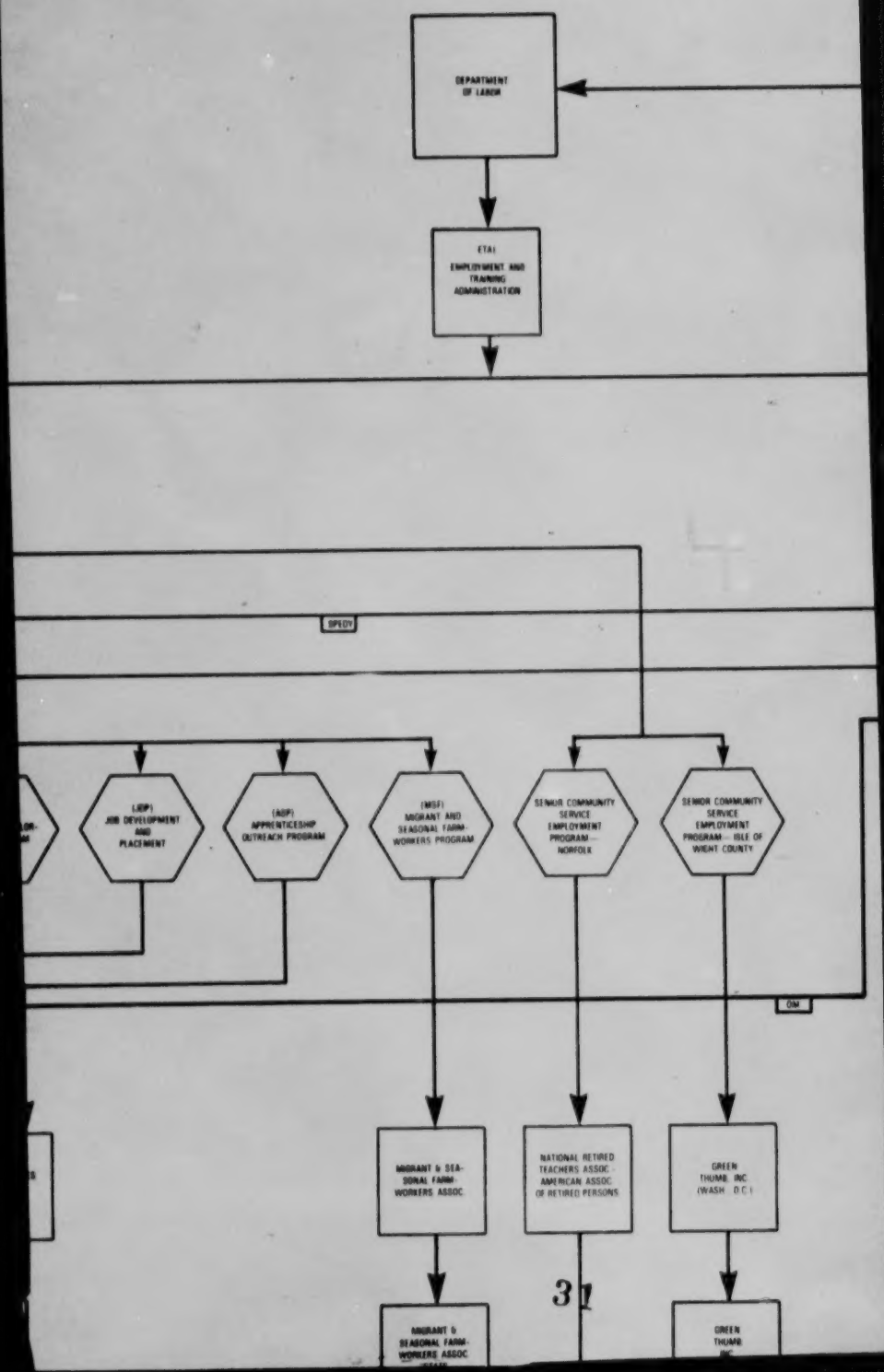
FEDERAL DEPARTMENT LEVEL

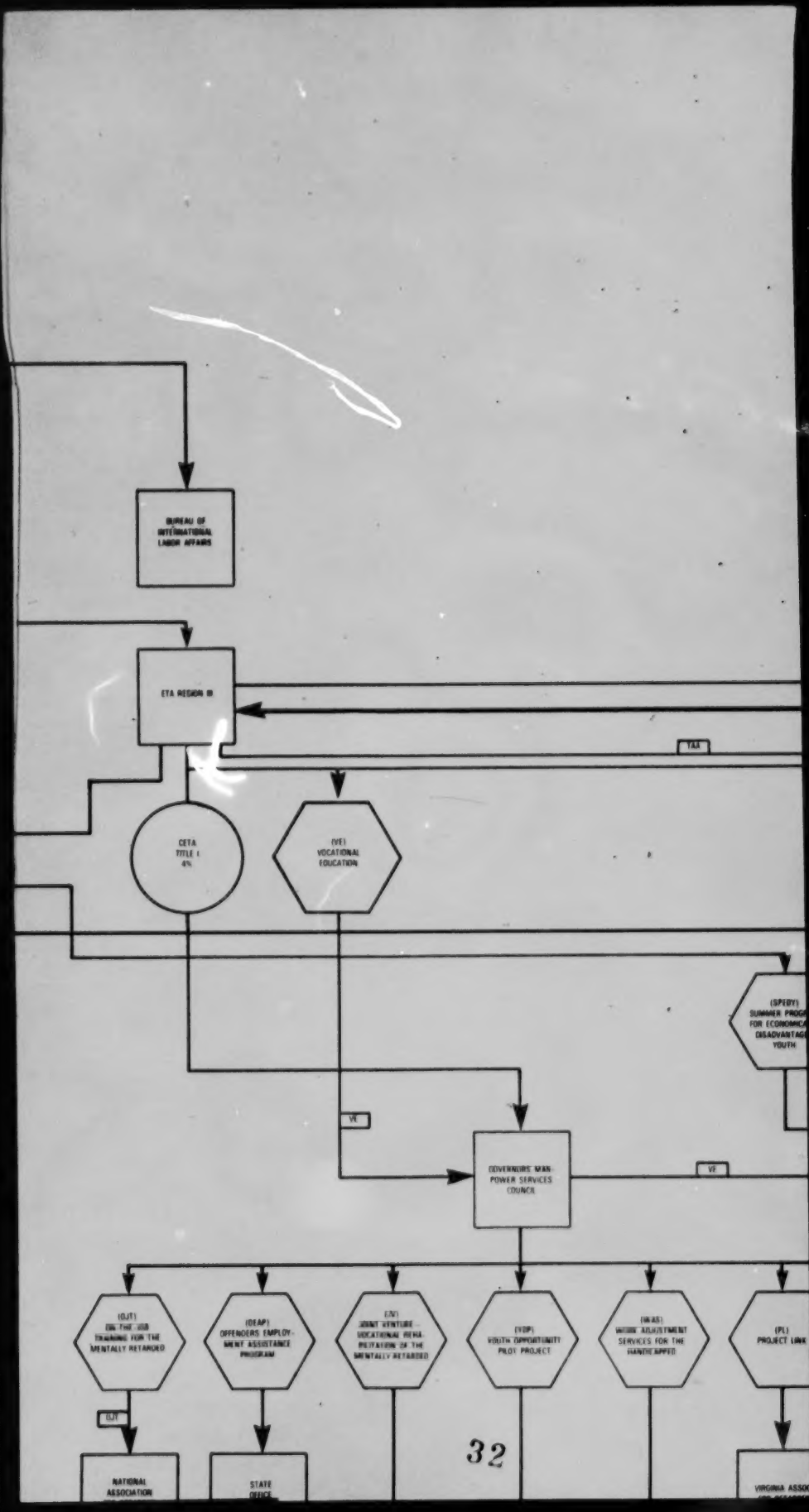
FEDERAL AGENCY/ REGIONAL LEVEL

FEDERAL PROGRAM

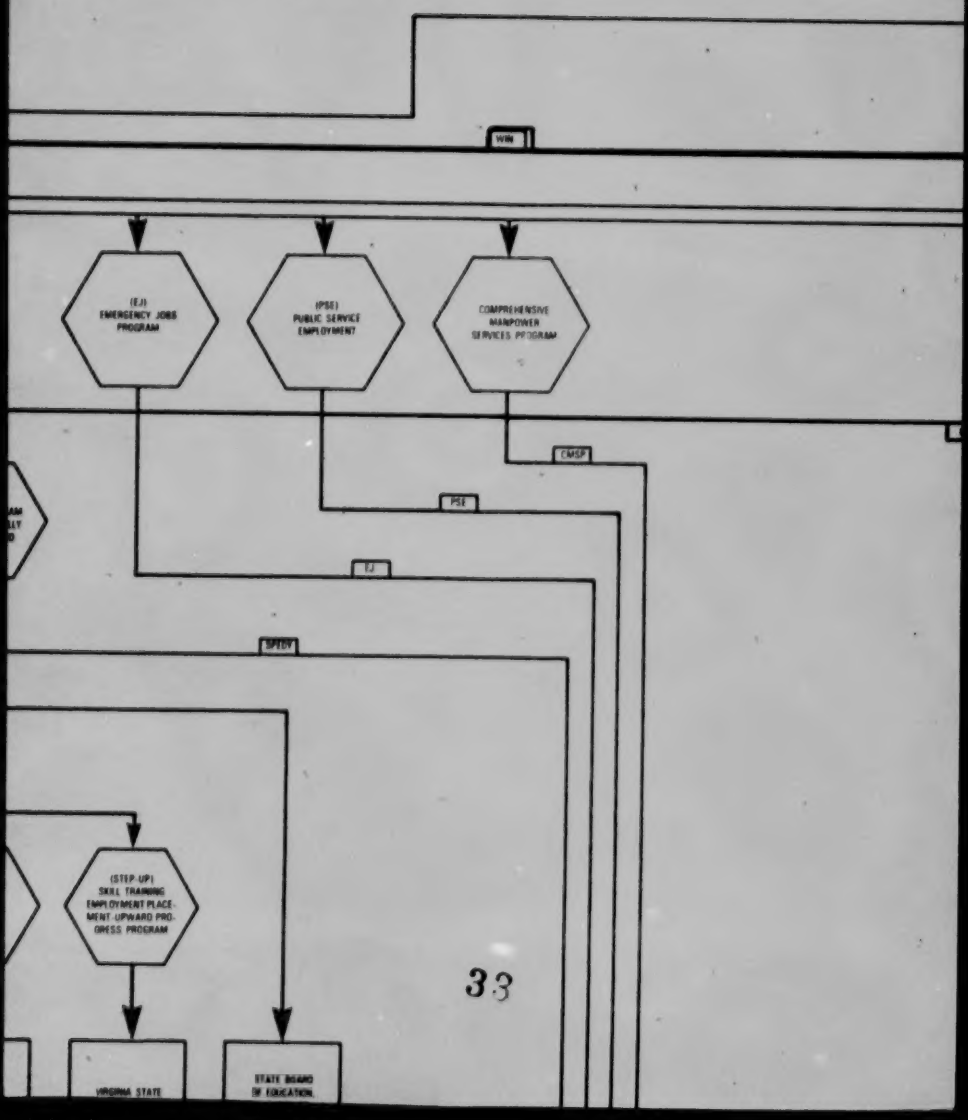
NATIONAL AND/OR STATE LEVEL



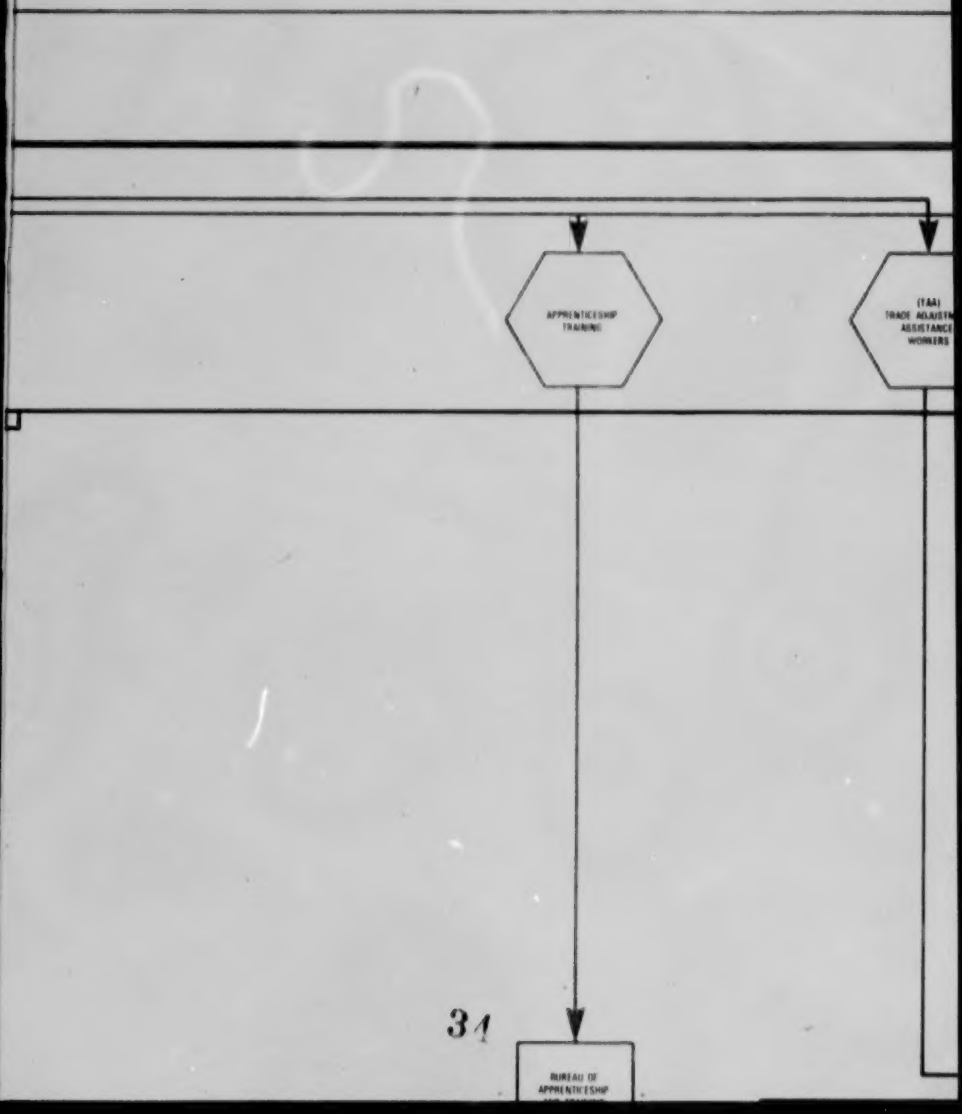

DEPARTMENT OF LABOR
ETA
EMPLOYMENT AND TRAINING ADMINISTRATION
SPEOV
(JDP) JOB DEVELOPMENT AND PLACEMENT
(ADP) APPRENTICESHIP OUTREACH PROGRAM
(MSF) MIGRANT AND SEASONAL FARM-WORKERS PROGRAM
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM — NORFOLK
SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM — ISLE OF WIGHT COUNTY
OM
MIGRANT & SEASONAL FARM-WORKERS ASSOC.
NATIONAL RETIRED TEACHERS ASSOC. - AMERICAN ASSOC. OF RETIRED PERSONS
GREEN THUMB, INC. (WASH., D.C.)
MIGRANT & SEASONAL FARM-WORKERS ASSOC.
GREEN THUMB, INC.

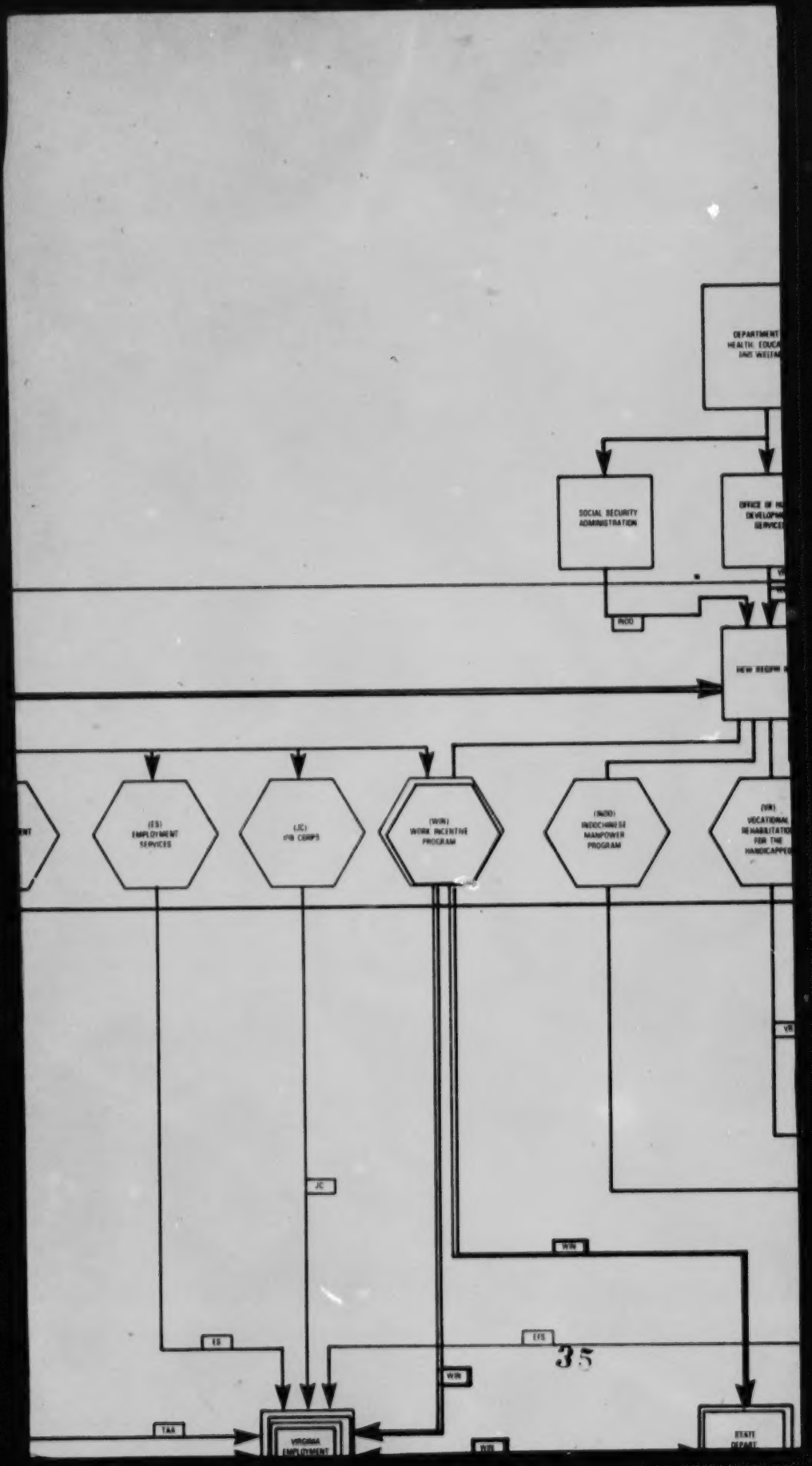

BUREAU OF INTERNATIONAL LABOR AFFAIRS
ETA REGION III
TAA
CETA TITLE I 4%
(VE) VOCATIONAL EDUCATION
(SPEDY) SUMMER PROG FOR ECONOMICA DISADVANTAG YOUTH
VE
GOVERNORS MAN-POWER SERVICES COUNCIL
VR
(OJT) ON THE JOB TRAINING FOR THE MENTALLY RETARDED
(OEAP) OFFENDERS EMPLOY-MENT ASSISTANCE PROGRAM
(JV) JOINT VENTURE VOCATIONAL REHA-BILITATION OF THE MENTALLY RETARDED
(YOP) YOUTH OPPORTUNITY PILOT PROJECT
(WAS) WORK ADJUSTMENT SERVICES FOR THE HANDICAPPED
(PL) PROJECT LINK
OJT
NATIONAL ASSOCIATION
STATE OFFICE
VIRGINIA ASSOC

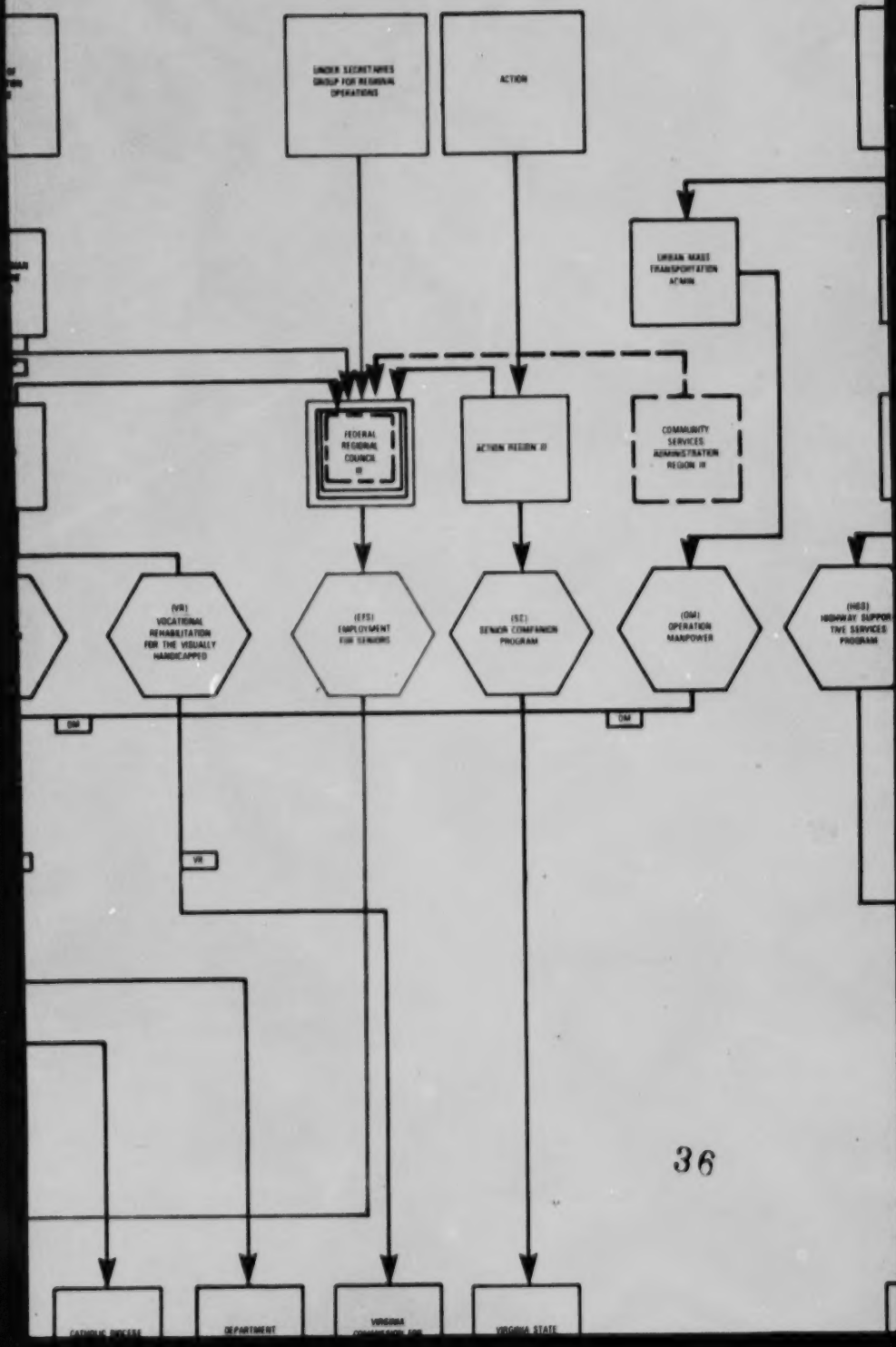
FEDER
PROG

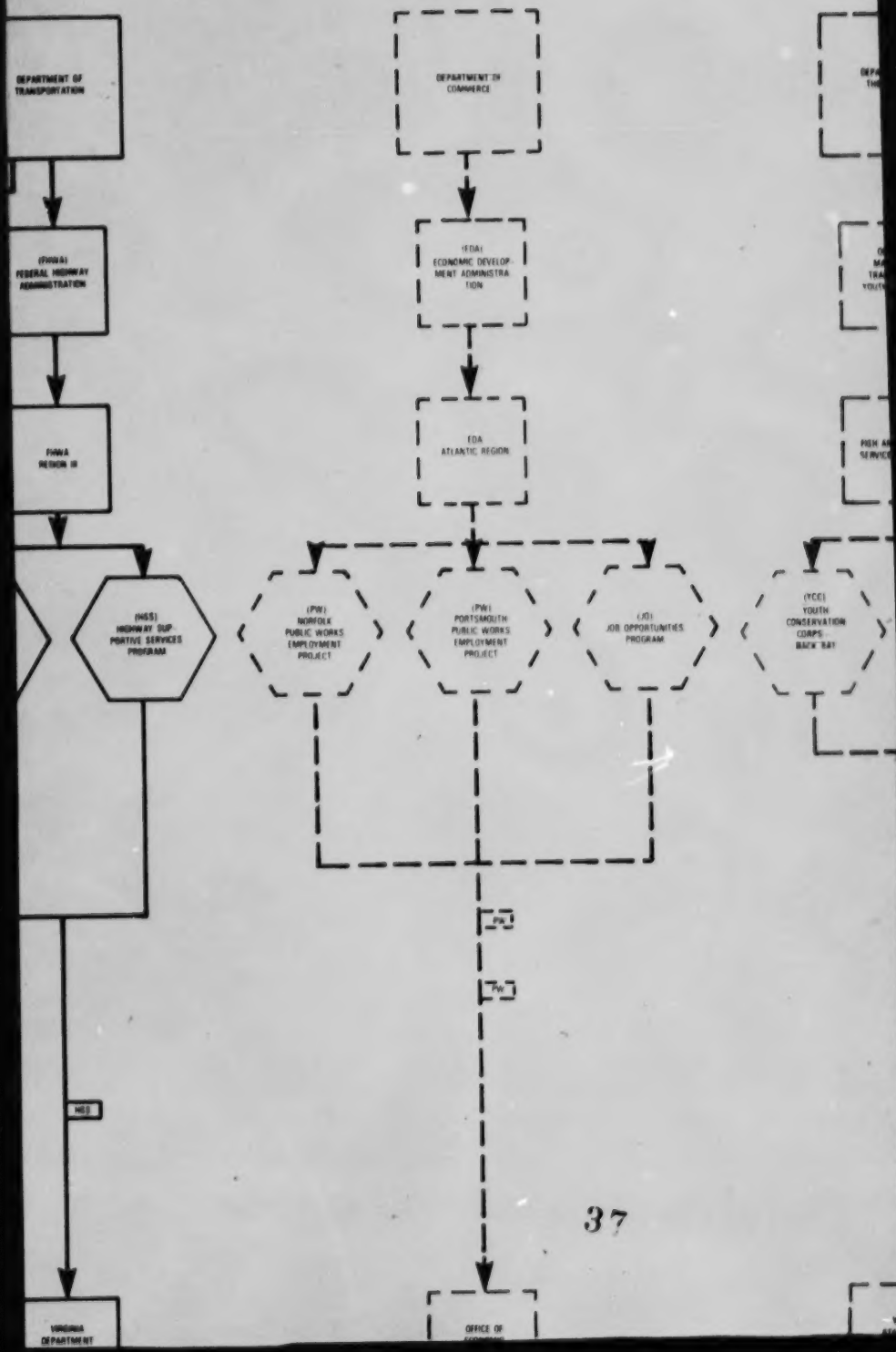

WIN
(EJ)
EMERGENCY JOBS
PROGRAM
(PSE)
PUBLIC SERVICE
EMPLOYMENT
COMPREHENSIVE
MANPOWER
SERVICES PROGRAM
CMSP
PSE
EJ
SPEDY
(STEP-UP)
SKILL TRAINING
EMPLOYMENT PLACE-
MENT-UPWARD PRO-
GRESS PROGRAM
VIRGINIA STATE
STATE BOARD
OF EDUCATION

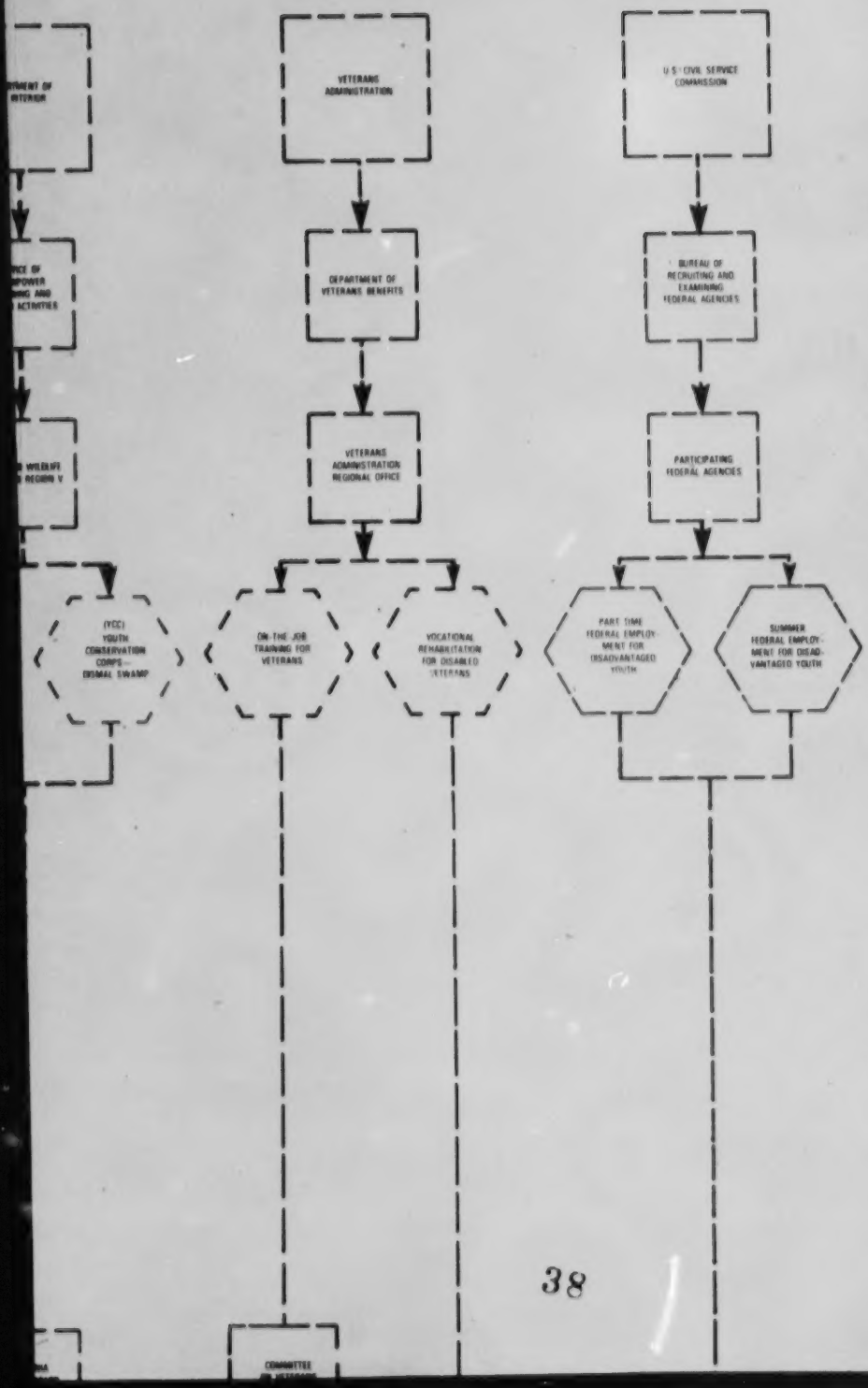
ALLY ASSISTED EMPLOYMENT AND TRAINING
RAMS IN THE TIDEWATER, VIRGINIA, AREA
DURING FISCAL YEAR 1977

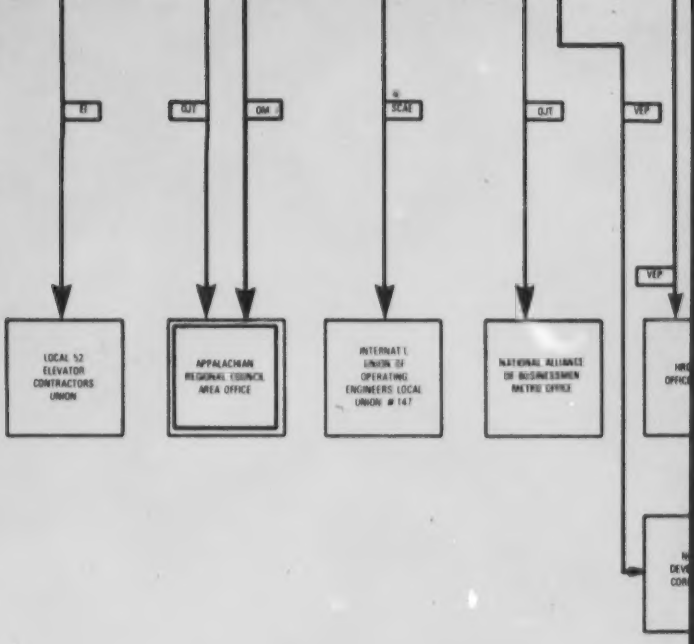



SOCIAL SECURITY ADMINISTRATION
(ES) EMPLOYMENT SERVICES
(JC) JOB CORPS
(WIN) WORK INCENTIVE PROGRAM
(INDO) INDOCHINESE MANPOWER PROGRAM
(VR) VOCATIONAL REHABILITATION FOR THE HANDICAPPED
INDO
JC
WIN
ES
TAA
VIRGINIA EMPLOYMENT
STATE DEPART

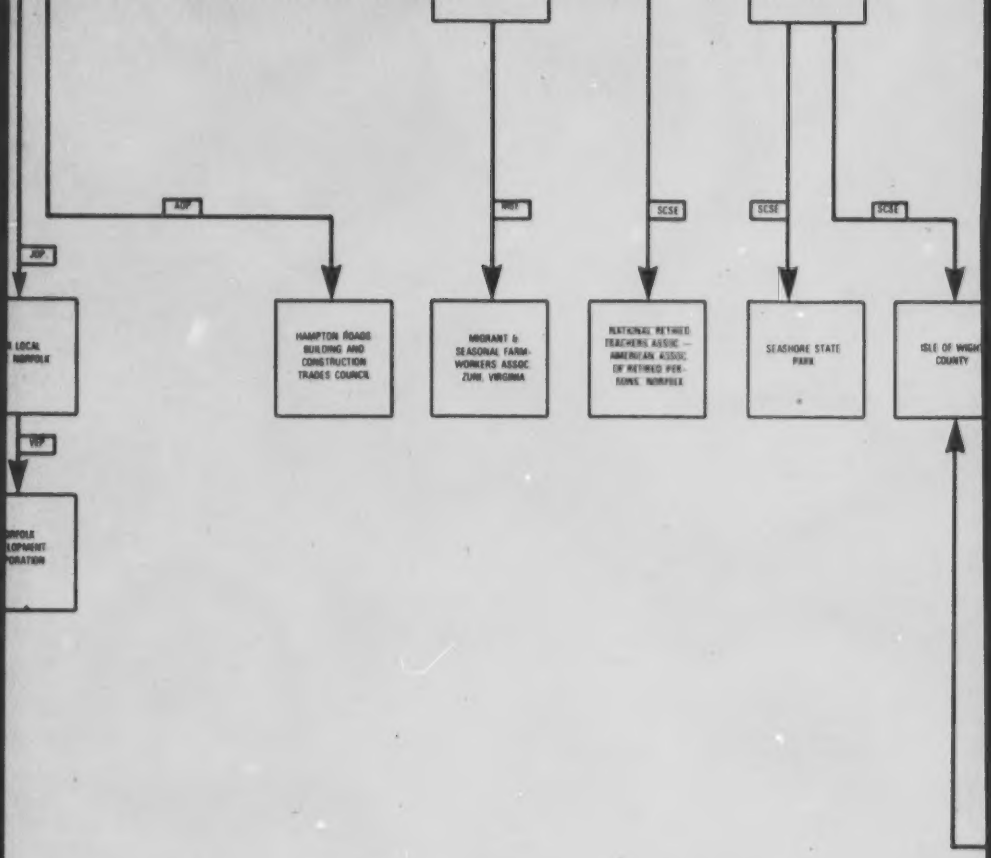

UNDER SECRETARIES GROUP FOR REGIONAL OPERATIONS
ACTION
URBAN MASS TRANSPORTATION ADMIN
FEDERAL REGIONAL COUNCIL III
ACTION REGION III
COMMUNITY SERVICES ADMINISTRATION REGION III
(VR) VOCATIONAL REHABILITATION FOR THE VISUALLY HANDICAPPED
(EFS) EMPLOYMENT FOR SENIORS
(SC) SENIOR COMPANION PROGRAM
(OM) OPERATION MANPOWER
(HSS) HIGHWAY SUPPORTIVE SERVICES PROGRAM
OM
OM
VR
CATHOLIC DIOCESE
DEPARTMENT
VIRGINIA
VIRGINIA STATE


DEPARTMENT OF TRANSPORTATION
(FHWA) FEDERAL HIGHWAY ADMINISTRATION
FHWA REGION III
(HSS) HIGHWAY SUPPORTIVE SERVICES PROGRAM
DEPARTMENT OF COMMERCE
(EDA) ECONOMIC DEVELOPMENT ADMINISTRATION
EDA ATLANTIC REGION
(PW) NORFOLK PUBLIC WORKS EMPLOYMENT PROJECT
(PW) PORTSMOUTH PUBLIC WORKS EMPLOYMENT PROJECT
(JO) JOB OPPORTUNITIES PROGRAM
(YCC) YOUTH CONSERVATION CORPS BACK BAY
OFFICE OF


VETERANS ADMINISTRATION
U S CIVIL SERVICE COMMISSION
DEPARTMENT OF VETERANS BENEFITS
BUREAU OF RECRUITING AND EXAMINING FEDERAL AGENCIES
VETERANS ADMINISTRATION REGIONAL OFFICE
PARTICIPATING FEDERAL AGENCIES
(YCC) YOUTH CONSERVATION CORPS — DISMAL SWAMP
ON-THE-JOB TRAINING FOR VETERANS
VOCATIONAL REHABILITATION FOR DISABLED VETERANS
PART TIME FEDERAL EMPLOYMENT FOR DISADVANTAGED YOUTH
SUMMER FEDERAL EMPLOYMENT FOR DISADVANTAGED YOUTH



LOCAL AGENCY/DELIVERY AGENT
LEVEL



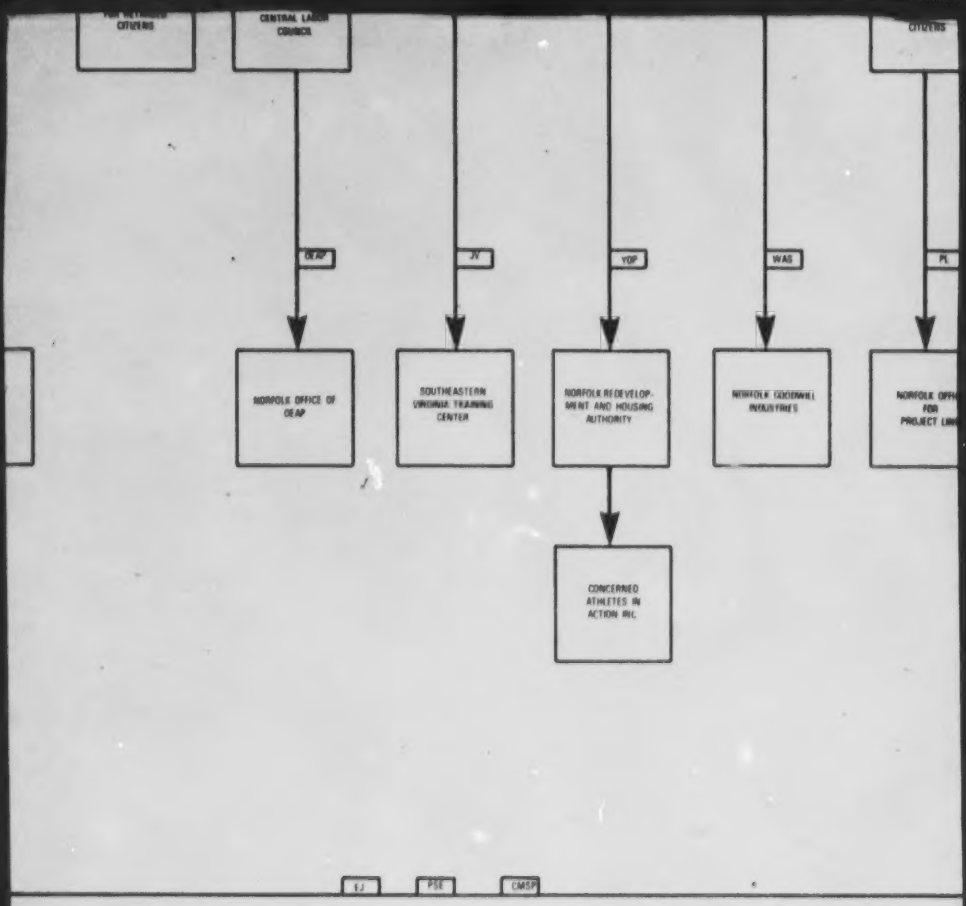
LEGEND

PROVIDES DESCRIPTIVE INFORMATION ON FUNDING AUTHORITY

ADMINISTERING ORGANIZATION

DENOTES PROGRAM(S)

ADMINISTRATION AND FUNDING FLOW

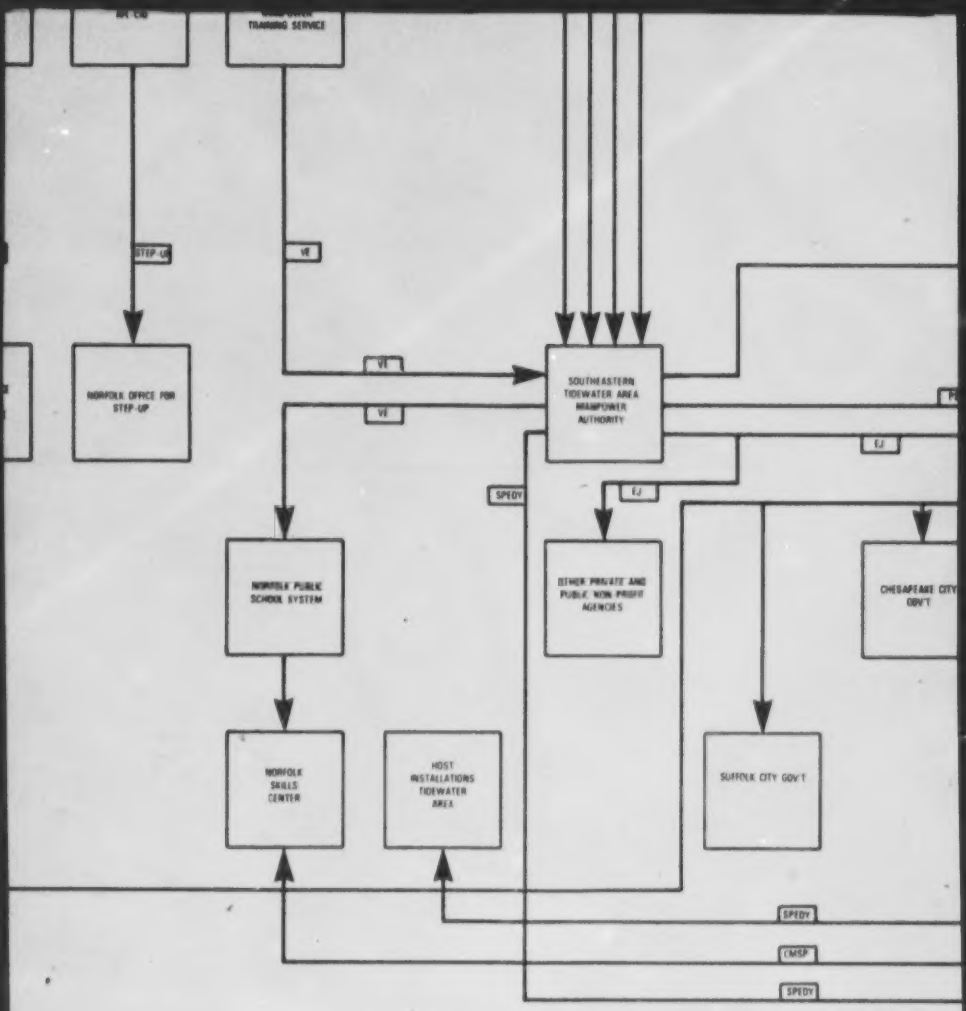


LOR CODE

DEPARTMENT OF LABOR (DOL)
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE (HEW)
FEDERAL REGIONAL COUNCIL (FRC)
ACTION
DEPARTMENT OF TRANSPORTATION (DOT)
DEPARTMENT OF COMMERCE (DOC)
DEPARTMENT OF THE INTERIOR (DOI)
VETERANS ADMINISTRATION (VA)
U.S. CIVIL SERVICE COMMISSION (CSC)
COMMUNITY SERVICES ADMINISTRATION

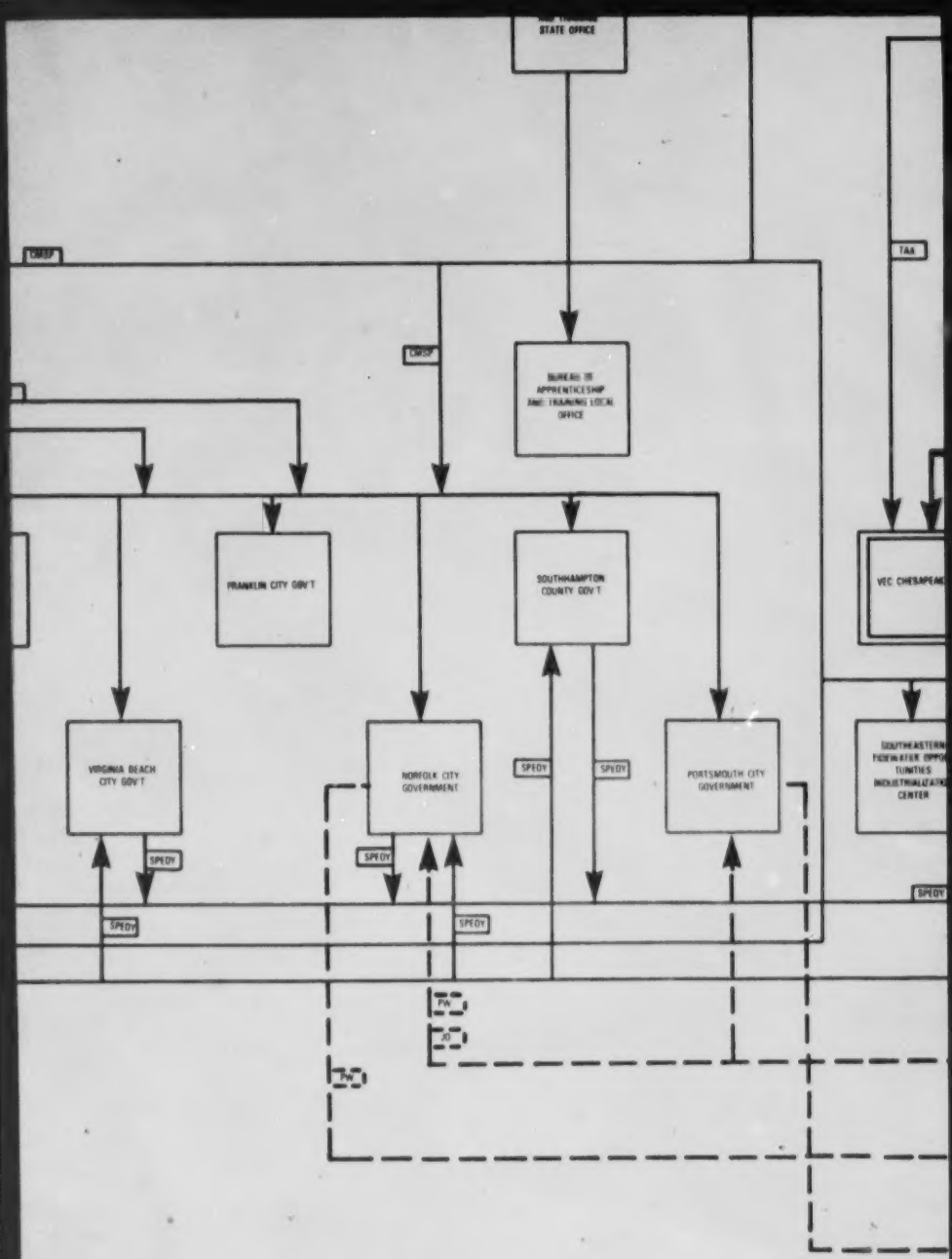
PROGRAMS —

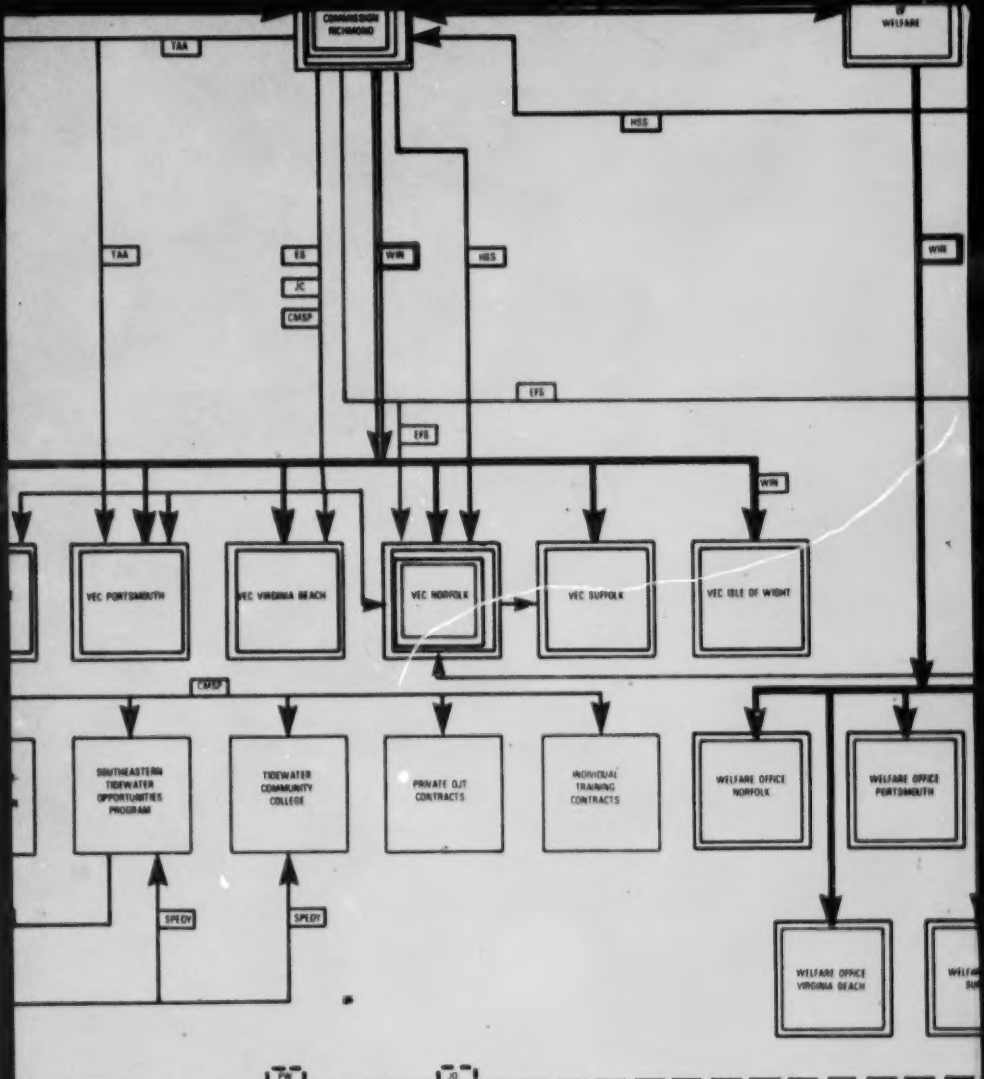
NOTE: FLAGS ARE USED
FOLLOWING THE
IF AN ARROW IS
PROGRAM IS APP
INDICATED (BY A
AN AGENCY FLOW

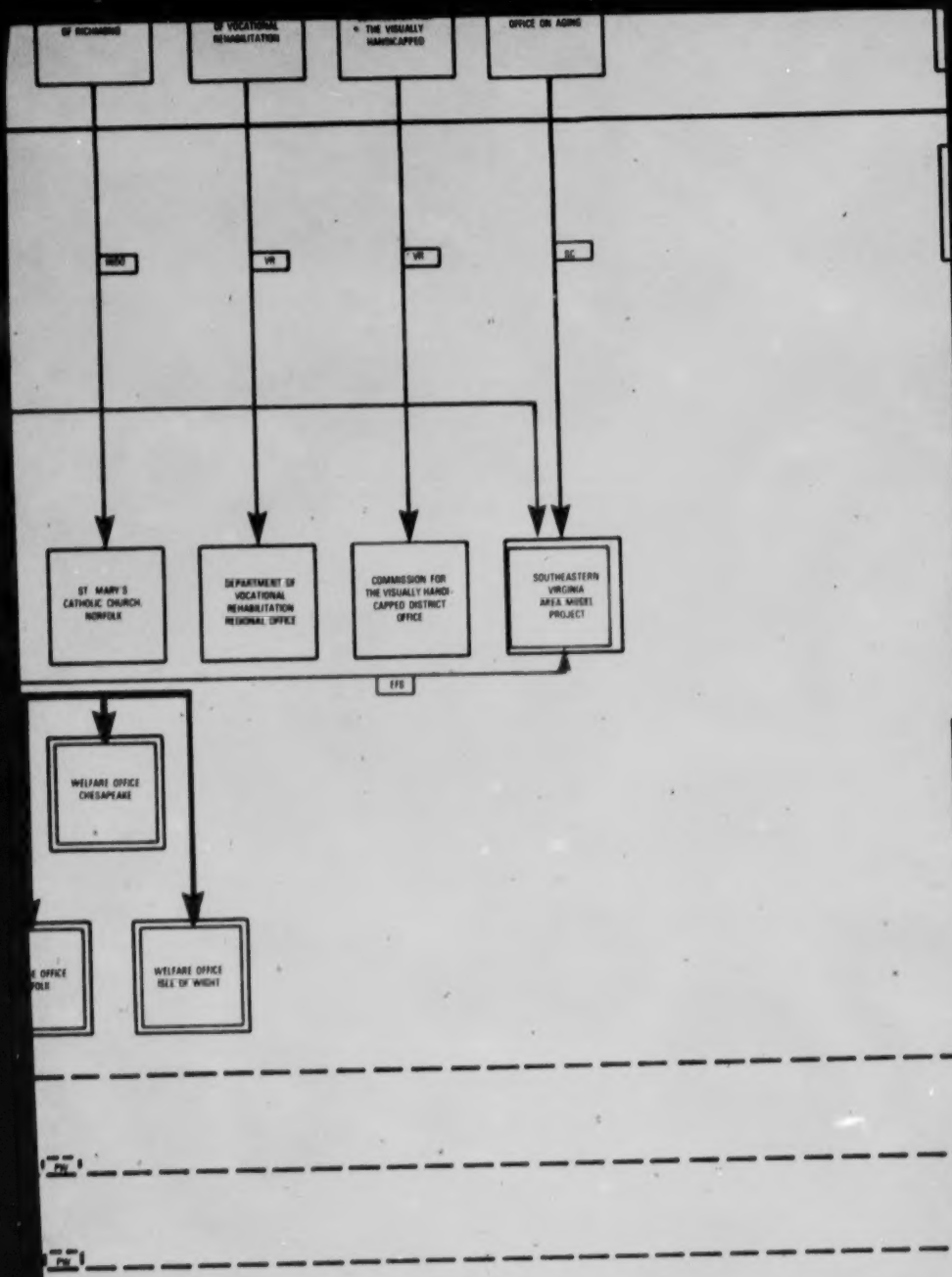


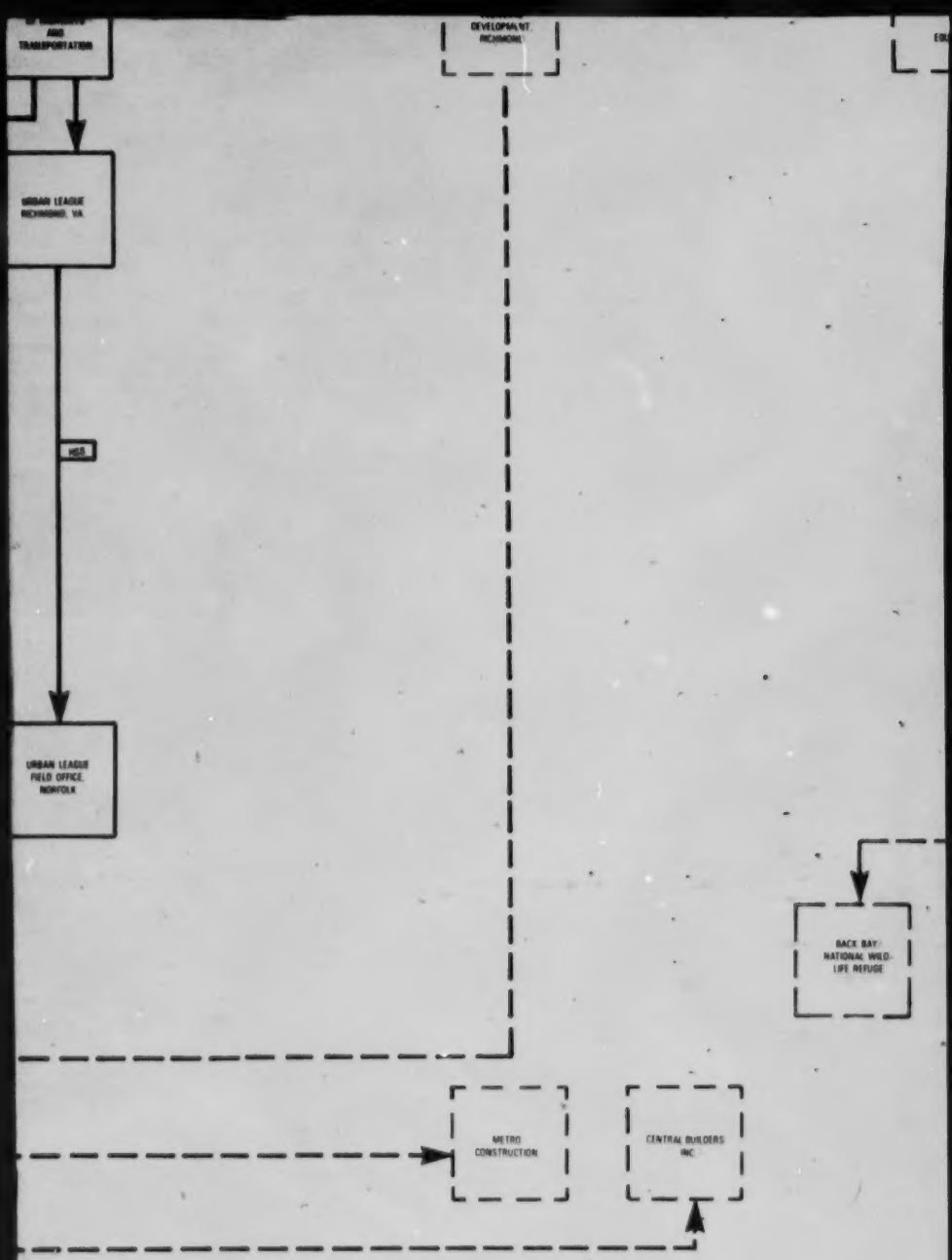
"FLAGS" DENOTE A PARTICULAR PROGRAM

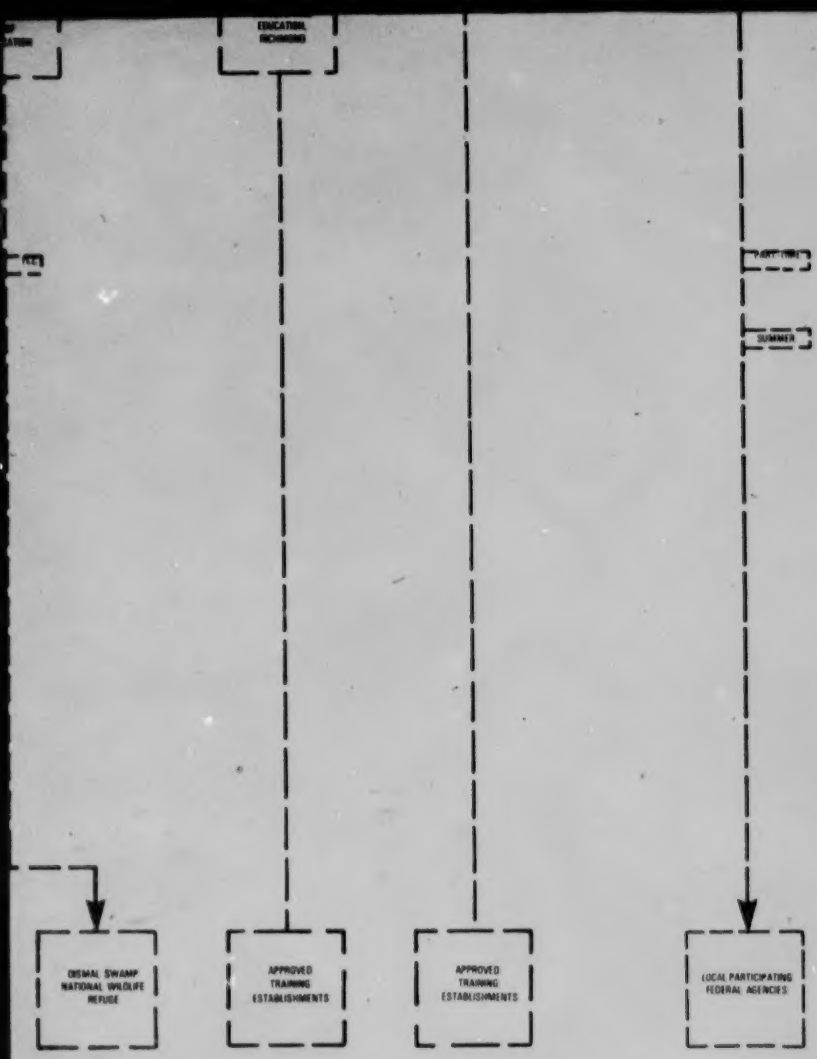
TO FACILITATE THE READER IN
FLOW OF A PARTICULAR PROGRAM.
FLAGGED THEN ONLY THE DESIGNATED
LICABLE TO THE FLOW. UNLESS OTHERWISE
FLAG) ALL PROGRAMS FEEDING INTO
OUT.


STATE OFFICE
CMEP
CMEP
BUREAU OF APPRENTICESHIP AND TRAINING LOCAL OFFICE
TAA
FRANKLIN CITY GOV'T
SOUTHAMPTON COUNTY GOV'T
VEC CHESAPEAKE
VIRGINIA BEACH CITY GOV'T
NORFOLK CITY GOVERNMENT
PORTSMOUTH CITY GOVERNMENT
SOUTHEASTERN TIDEWATER OPPORTUNITIES INDUSTRIALIZATION CENTER
SPEDY
SPEDY
SPEDY
SPEDY
SPEDY
SPEDY
FW
FW
FW


COMMISSION RICHMOND
WELFARE
TAA
HSS
TAA
ES
JC
CMSP
WIN
HES
WIN
EFS
EFS
WIN
VEC PORTSMOUTH
VEC VIRGINIA BEACH
VEC NORFOLK
VEC SUFFOLK
VEC ISLE OF WIGHT
CMSP
SOUTHEASTERN TIDEWATER OPPORTUNITIES PROGRAM
TIDEWATER COMMUNITY COLLEGE
PRIVATE OJT CONTRACTS
INDIVIDUAL TRAINING CONTRACTS
WELFARE OFFICE NORFOLK
WELFARE OFFICE PORTSMOUTH
SPEDY
SPEDY
WELFARE OFFICE VIRGINIA BEACH


OF RICHMOND
OF VOCATIONAL REHABILITATION
THE VISUALLY HANDICAPPED
OFFICE ON AGING
VR
VR
VR
ST MARY'S CATHOLIC CHURCH NORFOLK
DEPARTMENT OF VOCATIONAL REHABILITATION REGIONAL OFFICE
COMMISSION FOR THE VISUALLY HANDICAPPED DISTRICT OFFICE
SOUTHEASTERN VIRGINIA AREA AGENCY PROJECT
FFS
WELFARE OFFICE CHESAPEAKE
WELFARE OFFICE ISLE OF WIGHT


AND TRANSPORTATION
DEVELOPMENT, RICHMOND
URBAN LEAGUE RICHMOND, VA
HUD
URBAN LEAGUE FIELD OFFICE, NORFOLK
BACK BAY NATIONAL WILD-LIFE REFUGE
METRO CONSTRUCTION
CENTRAL BUILDERS INC


SUMMER
DISMAL SWAMP NATIONAL WILDLIFE REFUGE
APPROVED TRAINING ESTABLISHMENTS
APPROVED TRAINING ESTABLISHMENTS
LOCAL PARTICIPATING FEDERAL AGENCIES

Target group	Number of programs
Youth	a/9
Physically or mentally handicapped	6
Older Americans	4
Veterans	4
Minorities and women	4
Unemployed, underemployed, and economically disadvantaged	17
Other	8
	b/52

a/Does not include several CETA youth programs authorized in August 1977 (the Youth Employment and Demonstration Projects Act of 1977--Public Law 95-93) which we did not find operating in Tidewater during fiscal year 1977.

b/The total shown is greater than the number of programs identified (44) because some programs had more than one target group.

In comparing the purpose of certain programs with target groups to be served, opportunities exist to streamline the administration of the federally assisted employment and training network and consolidate certain programs where feasible.

For example, the Summer Program for Economically Disadvantaged Youth and the Federal Employment for Disadvantaged Youth-Summer program both serve youth and are designed to create employment. To be eligible for the Summer Program for Economically Disadvantaged Youth, a person must be economically disadvantaged and between the ages of 14 and 21. Under the Federal Employment for Disadvantaged Youth-Summer program, priority for eligibility is given to economically disadvantaged youth between the ages of 16 and 21. Persons eligible for these two programs may also be eligible for the Vocational Exploration program--another youth program designed to create employment. Two of these programs are authorized by CETA, and the third one is authorized by the Civil Service Act. Two different Federal agencies have administrative responsibility for the programs and at least three different program agents are involved at the local level.

Similarly, the On-The-Job Training for the Mentally Retarded program and the Vocational Rehabilitation for the

Handicapped program serve mentally handicapped individuals and both are designed to train and place program participants in jobs. Two different Federal departments have administrative responsibility for these two programs. One local program is authorized by CETA and is funded at $7,728. The other local program is authorized by the Rehabilitation Act of 1973, and its funding level is $1,531,395.

The two Senior Community Service Employment programs (one in Norfolk and one in Isle of Wight County) and the Senior Companion program also provide opportunities for streamlining the employment and training network. To be eligible for either of the two Senior Community Service Employment programs, one has to be low income and 55 years or older. To be eligible for the Senior Companion program, one must be low income and 60 years or older. The Senior Community Service Employment program is authorized by title IX of the Older Americans Act, and the Senior Companion program is authorized by the Domestic Volunteer Service Act of 1973. Two different Federal agencies have administrative responsibility for the programs and three different program agents have responsibility at the local level.

Federal and State governments have been responsive to employment and training problems but tend to respond to such problems by creating separate programs. The need for 44 programs, however, funded under 16 different legislative authorities should be reexamined.

Funds for the major federally assisted employment and training programs operating in the Tidewater area in fiscal year 1977 were distributed on the basis of specific provisions mandated by Federal law. There were 13 such programs totaling about $21.3 million, or 88 percent, of the total fiscal year 1977 funds for federally assisted employment and training programs in Tidewater. (See app. IV.) Funds for the remaining 31 programs were distributed under discretionary grants, that is, on the basis of discretionary actions by Federal or State agencies under general provisions of Federal law. Discretionary grants are awarded to help solve specific problems and are not distributed to recipients according to any legally mandated proportions. (See app. V.) The 31 discretionary grant programs total about $2.9 million.

Thus, the manner in which most of the 44 programs evolved stems from the discretionary actions of Federal and State governments. For example, under title III of CETA, funds are

available to the Secretary of Labor for providing additional manpower services to special target groups, and 4 percent of CETA title I funds are available to Governors for statewide services, including special model employment and training programs. The sheer number of programs, combined with various Federal, State, and local agencies having administrative responsibilities for the programs, lessen the ability to deliver employment and training services in the most efficient manner.

Recognizing that the variety of employment-related problems that exist may well demand some separate programs, how the employment and training delivery system can best be organized to effectively deal with these problems should be reexamined. Streamlining program administration by consolidating programs having similar objectives into broader purpose programs should increase the efficiency and effectiveness of the delivery of federally assisted employment and training programs. As the National Commission for Manpower Policy noted in its May 1978 report to the President and the Congress,

> "The proliferation of specialized programs leads to administrative inefficiency, undue constraints on local flexibility, * * * dilution of available resources and the ultimate risk that very little will be accomplished beyond the initial satisfaction of the best organized constituencies."

Some of the problems magnified by proliferation in the Tidewater area are discussed in the following chapter.

CHAPTER 3

PROLIFERATION MAGNIFIES PROBLEMS IN FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS

In the Tidewater area we found problems in planning, coordinating, and evaluating the effectiveness of programs. These problems become even more significant when viewed from the standpoint of involving 44 programs.

None of the Federal, State, or local officials we contacted maintained a list or even knew of all employment and training programs in the Tidewater area. Some laws and regulations which govern the programs contained coordination requirements, but these requirements were frequently either vague or all-encompassing. In many cases no coordination was mandated. Good local labor market data did not exist for use in planning the programs, and making an overall evaluation of such a fragmented, federally assisted effort would be very difficult, if not impossible.

COORDINATION AMONG PROGRAMS IS A PROBLEM

In examining coordination of programs in the Tidewater area, we found that laws and regulations lacked specificity regarding coordination and that no central source of information existed on all programs in the area. Subsequent to our fieldwork, the CETA Amendments of 1978 were enacted authorizing additional coordination requirements. Our review of the new legislation indicates that it has the potential to help correct some of the problems noted.

Lack of specificity in coordination requirements

Our review of legislation related to employment and training programs in the Tidewater area revealed a wide range of coordination requirements. Some of the laws did not mention coordination, others contained broad, blanket statements requiring that coordination be done to the extent feasible. For example, laws contained such requirements as

--coordination should be done to the extent practicable,

--programs should be linked to the maximum extent feasible,

--program agents are to consult with other program agents, and

--program agents should maintain, where appropriate, linkages to other manpower programs.

Some of the laws implied a form of cooperation by requiring program agents of one program to use facilities that were already available through other programs. Some laws required program agents to coordinate with State agencies, but did not specify the type of coordination or the State agencies to be involved.

Coordination of specific programs has been mandated by law between some Federal departments--such as the Departments of Labor and Health, Education, and Welfare. However, during the time of our fieldwork no agency or department at the Federal, State, or local level had been clearly mandated by law or Federal regulation to coordinate all federally assisted employment and training programs.

Two statutes--the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334) and the Intergovernmental Cooperation Act of 1968 (42 U.S.C. 4231)--were designed to increase intergovernmental cooperation and coordination by establishing formal communication channels among parties that might be affected by a federally assisted project. The Office of Management and Budget (OMB) implemented the two statutes through OMB Circular A-95. Its purpose was to facilitate intergovernmental cooperation by offering State and local governments the chance to comment on the consistency of federally assisted projects with local policies, plans, and programs.

The circular is based on OMB's premise that communication is fundamental to coordination. If people talk to each other, they can identify common interests and conflicts. Cooperation and negotiation can then take place. The review and comment process is designed to create a climate for intergovernmental cooperation in which coordination is likely to occur.

According to officials of the Southeastern Virginia Planning District Commission, the review procedure provided by OMB Circular A-95 is the primary vehicle for Federal grant planning. The Planning District Commission reviews Federal grant applications from local governments or groups to insure similar activities are not being conducted in the same area. However, the Federal agencies involved do not notify the Planning District Commission whether or not the grant was awarded.

During the time of our fieldwork, CETA provided a strong potential for minimizing the effects of program proliferation at the State level. CETA charged the Governor with the responsibility for developing and carrying out an annual comprehensive manpower plan. The key elements of the plan provided for:

1. Cooperation and participation of all State agencies providing manpower and related services.

2. The sharing of resources and facilities needed to conduct manpower planning.

3. Coordination of employment service programs financed under the Wagner-Peyser Act.

4. Coordination of State activities with local prime sponsor activities.

The State of Virginia provided for consideration of those elements through State agency participation on its Governor's Manpower Services Council.

CETA required that every State which desired to be designated as a prime sponsor establish a State Manpower Services Council. The Governor was responsible for appointing a council chairman and the council members, at least one-third of whom were to be representatives of other prime sponsors in the State. In addition, one representative was to be appointed from each of the following: the State board of vocational education, the State employment service, and any State agency deemed appropriate by the Governor. Representatives were also to be appointed from organized labor, business and industry, the general public, community-based organizations, and the population to be served.

The specific responsibilities of the Council were:

1. To review individual prime sponsor plans and the plans of State agencies, and to make recommendations for more effective coordination.

2. To monitor the operation of programs conducted by each prime sponsor, as well as the availability, responsiveness, and adequacy of other State agency services.

3. To prepare an annual report to the Governor and issue other studies, reports, or documents needed to assist prime sponsors and help carry out the purposes of CETA legislation.

An official of the Governor's Manpower Services Council in Virginia told us that the Council was the principal agent within the State to foster coordination among all employment and training delivery agents in the State. Although the Council was authorized to review the plans of each prime sponsor and the plans of State agencies providing services to those prime sponsors, it lacked the authority to modify the operations of prime sponsors or the State agencies. Thus, the Council was left with only the uncertain powers of persuasion. State Manpower Services Councils 1/ were not given specific authority under CETA legislation to intervene in local prime sponsor systems or to enforce coordination with non-CETA program sponsors.

In reviewing the laws and related Federal regulations for the 44 Tidewater programs, we found:

--Coordination with at least one other employment and training program was actually mandated for only 10 programs.

--Coordination was mandated "to the extent feasible" for 11 programs.

--Coordination was implied, but not specified for 3 programs.

--Coordination was neither mandated nor implied for 20 programs.

This lack of specificity made it difficult to evaluate whether the Tidewater programs were fulfilling their coordination requirements. We had to establish the following criteria to evaluate compliance.

Complete compliance--Those programs that were coordinating to some degree with all other agencies or programs specifically designated in the law or implementing regulation. (This does not imply ideal or needed coordination was taking place.)

1/The CETA Amendments of 1978 changed the Councils' name to State Employment and Training Councils.

Substantial compliance--Those programs that were coordinating with other agencies or programs even though these agencies or programs may not have been specifically designated by name in the implementing law or regulation. For example, the law or regulation may have stated "other manpower programs."

Partial compliance--Those programs that were coordinating with some of the programs or agencies designated in the law or regulations.

Based on these criteria, the following results were obtained for the 44 Tidewater programs.

Compliance with law/regulation	Number of programs
Complete	5
Substantial	2
Partial	6
Extent of compliance could not be determined because of lack of specificity in law or regulation	11
No coordination mandated	20
Total	44

While the extent of compliance could not be determined because the law or regulation lacked specificity for 11 programs, some coordination with other employment and training programs or related activities took place, as was the case for the 20 programs where no coordination was mandated.

None of the laws or regulations specifically mandated coordination with all other employment and training programs in a geographic area. None of the program agents we contacted maintained a list of or even knew of all the employment and training programs in the Tidewater area. For example:

--The Governor's Manpower Services Council cannot identify the number or scope of programs actually operating in Tidewater, even though the Council serves as a point of coordination for manpower programs within the State according to the Council's Chief of Planning.

--The CETA prime sponsor for the Tidewater area was not aware of all the programs operating within its jurisdiction because not all programs are required to coordinate with the prime sponsor.

These problems are similar to those recognized by the National Commission for Manpower Policy in its report "Manpower Program Coordination" issued in October 1975. The Commission found

> "The CETA legislation places heavy responsibility for coordination on the prime sponsors and the governors without concurrently requiring the non-CETA programs to cooperate."

Recent legislative changes affecting coordination

The CETA Amendments of 1978 (Public Law 95-524, Oct. 27, 1978) provide an even stronger potential for minimizing the effects of program proliferation. The statement of purpose in the new legislation calls for CETA to

> "* * * provide for the maximum feasible coordination of plans, programs, and activities under this Act with economic development, community development, and related activities, such as vocational education, vocational rehabilitation, public assistance, self-employment training, and social service programs."

The amendments authorizing coordination activities broaden program coordination and reemphasize the importance of coordinating federally assisted employment and training programs. These significant activities include

--a more descriptive comprehensive employment and training plan in terms of coordination, plus the active participation of the prime sponsors' planning councils in formulating such plans;

--the review and comment procedures required for prime sponsors' comprehensive employment and training plans;

--the requirement that the Secretary of Labor notify prime sponsors of special national employment and training progams funded under title III of CETA and, to the extent appropriate, coordinate such programs with prime sponsor programs;

--the requirement that Governor's coordination and special services activities include coordinating all employment and training, education, and related services provided by the State, by prime sponsors, by State education agencies and other appropriate institutions of vocational and higher education, State, and local public assistance agencies, and by other providers of such services within the State;

--an increase in funds available to Governors for encouraging coordination and establishing linkages and cooperative efforts; and

--the requirement that the State Employment and Training Council assess the extent to which employment and training, vocational education, vocational rehabilitation, public assistance, and other programs assisted under this and related acts represent a consistent, integrated, and coordinated approach to meet the employment and training and vocational education needs of the State.

The new legislative changes should encourage State Employment and Training Councils, prime sponsors, and others to improve coordination. Nevertheless, State Employment and Training Councils, although responsible for coordinating all employment and training, education, and related services, are still left with only the uncertain powers of persuasion.

Lack of a central source of information on programs in the area

Even if laws and regulations are amended to require more effective coordination, program administrators in Tidewater would still face difficulties in identifying programs with which to coordinate. None of the Federal, State, or local officials we contacted maintained a list or knew of anyone else who maintained a list of all programs operating in the area. For example:

--A Department of Labor regional representative responsible for monitoring employment and training programs in the Tidewater area was not even aware of all employment and training programs available in Tidewater that were funded by Labor.

--The Commissioner of the Virginia Employment Commission said he knew of no single source that could identify all of the programs operating in the Tidewater area, and that many times he learns of new programs in the area through conversations with different people.

If program officials are to coordinate to the maximum extent, they will have to have access to a reliable source of information on the programs they are to coordinate with.

INADEQUATE DATA TO PLAN AND EVALUATE FEDERALLY ASSISTED EFFORTS

Good planning and evaluation data on employment and training programs are essential if Federal, State, and local officials are to be able to determine the proper direction of the programs, when they have this discretion, and to assess the results of their efforts and identify areas needing improvement. But because of the proliferation of programs in Tidewater, sound planning and effective evaluation of the overall federally assisted effort is not practical.

Inadequate data for planning programs

CETA accounts for 21 of the 44 programs operating in the Tidewater area. CETA mandated the Secretary of Labor to research, collect, evaluate, and disseminate labor market information. Labor is fulfilling the requirement of providing labor market data through activities of State employment service agencies which, in the case of Tidewater, is the Virginia Employment Commission.

The Employment Commission provides the Tidewater prime sponsor with an annual planning report on the projected occupational needs in the area. The Employment Commission also provides, upon request, data on manpower, employment, and economic developments through various publications to other interested parties.

According to Employment Commission and prime sponsor officials, there are major shortcomings in these reports because:

--The reports are based primarily on old data--the 1970 census--that have been projected to the current year.

--The data for specific geographic areas are developed from overall State data projected to the geographic area. There is no guarantee these data reflect the actual conditions in the local area.

--None of the data is in the degree of detail necessary to determine the actual skills needed by employers or the skill capabilities of the unemployed population.

These shortcomings result in data that are inadequate for planning programs designed to meet the specific needs of employers or the unemployed. The data are useful only as a very general guide on the extent of unemployment in an area based on major industrial classifications. Therefore, program operators do not have reliable data for making planning decisions for specific programs unless a special labor market analysis is made. The Tidewater sponsor plans training programs based on where skill shortages are thought to exist and past experience--including the consideration of programs for which all slots have been filled in the past and programs which provide skills for jobs which have traditionally had a high turnover rate.

Employment Commission officials recognize the shortcomings in the data currently prepared. However, with the constraints of available data and statistical methods they believe they are doing the best they can.

In a July 1976 report to the Congress, 1/ we reported that although the Department of Labor had taken steps to improve the availability of labor market information for CETA sponsors' use, the Department still needed to provide guidance to sponsors on effective measures for collecting such data. We recommended that the Secretary of Labor establish guidelines which could be used by prime sponsors in developing more complete, current, and accurate labor market data through systems that would be worth what they cost.

In responding to our recommendation, the Department said that in lieu of having prime sponsors develop such information independently, it would appear to be more cost effective to expand and improve the State employment security agencies' labor market information capability. The Department noted

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1/"Formulating Plans for Comprehensive Employment Services--A Highly Involved Process," HRD-76-149, July 23, 1976.

that as part of its continuing evaluation and review of its programs, a systematic appraisal of the labor market information effort is being conducted, including its use by groups responsible for local manpower planning.

The problems of a lack of data were also recognized by the National Commission for Manpower Policy in an October 1975 report. The Commission found:

> "* * * The lack of timely, detailed, and localized labor market and economic information has seriously handicapped CETA prime sponsors who must identify target populations and occupations and industries where job openings exist. Many of the local planning data are based on the decennial census or other population surveys which become less accurate and therefore, less relevant as they become more dated * * * The Department's [Labor] work to date has yet to bear fruit from the point of view of state and local planners."

Aside from the fact that good local labor market data do not exist, the proliferation of employment and training programs compounds the efforts of Federal, State, and local planners.

Difficulties in evaluating results of federally assisted efforts

The proliferation of programs in the Tidewater area makes evaluating the overall results of federally assisted efforts very difficult, if not impossible. One reason for this is that with such a range of programs, there are also substantial differences in program goals/purposes, services provided, and funding methods. Other differences resulted from the wide range in the sizes of the 44 programs. For example, in fiscal year 1977 the number of participants ranged from 2 to as many as 55,468 and funding ranged from $4,867 to $5.8 million. But the vast majority of these programs are designed to provide employment and training services to the unemployed and/or economically disadvantaged.

Although the 44 program agents submit periodic reports on program results, representatives of only 22 of the agents told us that these reports could actually be used to determine program effectiveness.

Following are some of the reasons program agents cited for being unable to use these reports to evaluate effectiveness:

--Numbers are aggregated to the point no one can assess whether results are good or bad.

--Reports are basically number oriented and do not really show what is happening.

--A narrative report would be necessary to show what is happening and what progress has been made by participants.

--The reports are general in nature and further breakouts are required by program personnel to evaluate training results.

--Current formats do not show the full spectrum of the program.

With the large number of programs and the lack of good labor market data, an adequate evaluation of the federally assisted efforts for employment and training in Tidewater would be a costly proposition.

In a July 1977 report on employment and training programs, 1/ the Commission on Federal Paperwork stated that "* * * the Federal Government consistently has addressed manpower problems through uncoordinated programs without adequate measures of program performance * * *." The Commission called for an administrative system for employment and training which would emphasize the development of common definitions, procedures, and techniques to replace the current uncoordinated array. In its report, the Commission stressed the need for developing standard measurements of program performance to replace the current inability to adequately compare program results.

1/"Employment and Training Programs," Commission on Federal Paperwork, Washington, D.C., 1977.

CHAPTER 4

EMPLOYERS' OPINIONS OF FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS

One of the most important tests of the effectiveness of employment and training programs is whether participants actually obtain and keep jobs. In order to do this, employers must be satisfied with the job performance of participants they hire from the programs. Therefore, we sent a questionnaire to a randomly selected sample of employers in the Tidewater area to obtain comments on

--the sources used to obtain employees,

--whether or not a financial incentive is necessary to hire and train those who lack skills and/or experience,

--whether a central source of information on employment needs by occupation would be helpful,

--hiring practices overall versus experience with federally assisted programs,

--whether program participants were retained in jobs, and

--the skills and job performance of participants of federally assisted employment and training programs.

We selected 496 public and private employers from a universe of 10,095 in the Tidewater area. Of the 496 employers surveyed, 289 responded to our questionnaire. We categorized their responses into three profiles--all employers, employers who had hired, and employers who had not hired from the programs (24 employers either did not know if they had hired from the programs or did not respond to the question).

OVERALL RESULTS

In responding as to the extent that certain sources are used for obtaining employees, employers cited walk-in applicants and classified ads as the two most frequently used sources. They also indicated that when hiring employees at the entry level, they usually hire trained and experienced personnel over those without training or experience. If

they do hire individuals without training or experience, these individuals acquire the necessary skills through on-the-job training.

Concerning whether employers were contacted by job developers or placement specialists of federally assisted programs, we found that

--46.0 percent had never been contacted,

--23.9 percent were contacted one to three times per year,

--6.9 percent were contacted four to six times per year,

--10.7 percent were contacted over six times per year, and

--12.5 percent did not answer the question.

We found the largest percentage of those contacted--22.5--had been contacted by the Virginia Employment Commission.

Employers were almost evenly divided on the necessity to have a financial incentive to hire and train those who lack skills and/or experience--44.6 percent said yes, while 41.2 percent said no. (The remaining 14.2 percent did not answer the question.) In rating a list of possible incentives, employers rated a salary subsidy for the training period as the best incentive.

We asked employers whether it would be helpful to have a central source of information on employment needs by occupation in the Tidewater area. Forty-three percent said yes, 26.0 percent said no, and 23.2 percent said they did not know. (The remaining 7.8 percent did not answer the question.) However, 54 percent indicated a willingness to provide input to such a data base.

COMPARISON OF EMPLOYERS WHO HAD HIRED FROM FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS TO THOSE WHO HAD NOT

Of the 289 responses received, 25, or 8.7 percent of the employers, indicated that they had hired employees in the past 3 years from federally assisted employment and training programs.

We noted several characteristics of employers who had hired from the programs. When compared to employers who had not hired from the programs, these employers:

--Had hired nearly four times the number of full-time employees in the past 3 years.

--Were larger in size as they employed more employees in all categories from managerial and professional positions to unskilled positions. For example, they employed 3 times the number of managerial and professional employees and 24 times the number of skilled employees.

--Had a greater tendency to use job developers or placement specialists when hiring employees.

Twenty-four employers provided data on employees hired from these programs in the past 3 years (1975 through 1977).

	Hired	Still on board
Total	618	138
Range	1 to 400	0 to 93
Average (total ÷ 24)	25.8	5.8

Thus, the retention rate for these employees (i.e., those with their employer of original placement) was 22.3 percent. The table below shows employers' comments on the individuals who had participated in the programs.

Participant characteristics	Percent of employers (note a) Adequate or better	Borderline	Inadequate
Work skills when first reporting to work	40	28	8
Willingness to do a full day's work	48	8	20
Match of acquired skills to area skill shortages	40	28	4
Match of acquired skills to employers' needs	44	20	12
Ability to accomplish assigned tasks	44	12	16
Ability to work well with others	64	4	8
Ready for the world of work	40	16	20
Attendance	36	12	24
Motivation to do a good job	36	16	16
Interest in holding a permanent job	36	12	20

a/The percentages do not add to 100 because we deleted nonresponsive and no opinion answers.

Data in the two previous tables provide some insight on employers' impressions of federally assisted employment and training programs. While the job retention rate for participants who were hired from these programs was 22.3 percent, employers who commented rated participants' abilities and work as adequate or better much more frequently than inadequate. As the data indicate, however, employers were most critical of employee motivation, attendance, and interest in the job.

When compared to employers who had hired from the programs, we found that employers who had not hired from the programs

--were smaller in size and in number of employees in every category,

--tended to hire more walk-in applicants than from any other source of employees,

--hired an average of 17 persons during a previous 3-year period as compared to an average of 66 persons for those who had hired from the programs,

--had generally not been contacted by job developers or placement specialists involved in federally assisted employment and training programs, and

--cited as the major reasons for not hiring from Federal programs--no referrals by program agents and no applications from participants.

It would appear that even with the proliferation of programs in Tidewater, job development efforts by these programs are being concentrated on the large employers.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Congressional and executive branch action is needed to reform the federally assisted employment and training network. Categorical grant programs dominate the network. Much of the proliferation of categorical programs is attributable to the continuing growth in the number of small, narrowly defined programs. Each has its own target groups and project design and requires separate eligibility criteria and delivery mechanisms.

In the Tidewater, Virginia, area alone there were 44 federally assisted employment and training programs. Collectively, the 44 programs represent a network of special emphasis program categories characterized by programs with similar goals and target groups and a maze of funding and administrative channels. While our review was limited to federally assisted employment and training programs operating in the Tidewater, Virginia, area, it is likely that the problems noted exist in other metropolitan areas in the Nation because virtually all State and local governments receive Federal funds to administer most of the employment and training programs that were identified in the Tidewater area.

The Congress acted in 1973 to address the then complex network of federally assisted employment and training programs funded under different legislative authorities and aimed at different client groups. Its action culminated in the passage of CETA which streamlined the Federal employment and training network by consolidating many different national categorical employment and training programs.

Over the years, however, additional categorical employment and training programs have been established. Through legislation the Congress has enacted more categorical programs in an attempt to solve critical employment and training problems, and through discretionary actions Federal and State agencies have funded numerous categorical programs to help solve specific employment and training problems.

Most programs identified in the Tidewater area are a result of the funding discretion vested in Federal and State agencies. On balance, the variety of employment-related problems that exist may well demand some separate programs.

But, the number of narrowly defined programs and the manner in which they are scattered across many Federal, State, and local agencies raise questions about the overall efficiency of the federally assisted employment and training effort. Such a piecemeal approach can saturate and blanket an area and still not produce optimum results.

The frequently proposed solution to the problems resulting from a multiplicity of somewhat similar Federal assistance programs is improved coordination of program planning and administration. The proliferation of programs underscores the need for coordination, but program agents in the Tidewater area apparently administered programs without full knowledge of what others were doing, i.e., where they were putting their resources and to what extent specific needs were being met. Although some coordination was taking place, no Federal, State, or local organization was responsible for coordinating the efforts of all 44 programs. The sheer number and variety of programs can be a major barrier to achieving the degree of coordination necessary.

The proliferation of programs also makes it very difficult, if not impossible, to evaluate the overall Federal effort. Evaluations can be made but for practical reasons must generally be done on a program-by-program basis. In fact no one knows whether the overall results of Federal efforts are effective in solving employment and training problems.

CETA remains the major Federal effort for providing employment and training services and channels most federally assisted employment and training funds through one local administering agency. Nevertheless, there is a need to consider how the employment and training delivery system can be better organized to effectively deal with the problems noted. Program administrators need to first know what programs are already in an area. This would allow more informed decisions to be made concerning employment and training needs, including the extent to which discretionary local programs should be established for the overall federally assisted effort.

Improved coordination of program planning and administration would help. However, because of the high degree of coordination needed, this must be viewed as a short-range objective. In our opinion, the key to significantly improved program administration is fewer programs and a more streamlined employment and training delivery system.

RECOMMENDATIONS TO THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

We recommend that the Director, Office of Management and Budget, with the assistance of the Secretary of Labor (1) explore alternatives to streamline the employment and training system, including consolidation of programs where feasible and (2) submit proposed legislation to the Congress for program consolidation where necessary.

Pending results on our first recommendation, we recommend that the Director, Office of Management and Budget, emphasize to the Federal, State, and local agencies that administer employment and training programs, the need to coordinate the planning and operation of all such programs. The potential for more efficient services to the economically disadvantaged through coordinated efforts is obvious.

RECOMMENDATIONS TO THE CONGRESS

We recommend that the Congress, on the basis of the executive branch's proposals regarding program consolidation, amend employment and training legislation to reduce the number of separate programs.

We also recommend that the Congress, in amending employment and training legislation, ensure that appropriate organizational arrangements are mandated to improve coordination and integration of federally assisted employment and training programs.

AGENCY COMMENTS AND OUR EVALUATION

We solicited comments from OMB, Labor, the Governor's Manpower Services Council in Virginia, and the CETA prime sponsor in the Tidewater area. Their responses are included in appendixes VI through IX.

OMB's January 15, 1979, comments said our report serves usefully to reaffirm that a substantial number of special purpose employment and training programs have been enacted which now constitute a complex set of programs for State and local governmental entities to administer. OMB also said that the number of programs and the apparent lack of coordination alone are not sufficient to conclude that inefficiencies or waste exist. OMB indicated that they certainly may exist, yet the report fails to substantiate this conclusion.

We do not conclude that inefficiencies or waste exist. Rather, we conclude that the number of narrowly defined programs and the way they are scattered across many Federal, State, and local agencies raise questions about the overall efficiency of the federally assisted employment and training effort. Also, we point out that no one knows whether the overall results of the Federal efforts are effective in solving employment and training problems. Our conclusion is, therefore, consistent with the thrust of what OMB noted, that is, inefficiencies or waste certainly may exist.

OMB said that, if this report clearly documented situations resulting in money not being spent wisely, planners and legislators could then focus on that problem. OMB also said that overall, our findings and recommendations are too general in nature.

We disagree. OMB's response fails to recognize that the problems associated with program proliferation are well documented. In addition to our own work, we cite studies to demonstrate additional and collaborating support. Also, we would like to point out that our review was not designed to prove situations in which money was not being spent wisely. The primary objectives were to identify the federally assisted employment and training effort in one geographic area and to determine whether there was a need for executive and congressional action to streamline the employment and training system.

Our report notes that 44 federally assisted employment and training programs existed--many with similar goals and virtually the same target populations. As we point out, this fragmentation originates in the programs' authorizing legislation and extends through the delivery of services at the local level. Thus, opportunities exist to streamline the administration of the federally assisted employment and training network. One way to streamline this network would be to consolidate programs that have similar objectives into broader purpose programs, and we suggest several possible programs that could be consolidated. However, OMB did not indicate a willingness to study the issue further.

OMB stated that we could use the youth area as an opportunity for an indepth study of possible overlap and duplication which could provide timely hard evidence and the basis for concrete recommendations. OMB pointed out that the Congress has already stipulated that recommendations are required from the executive branch on the integration

and consolidation of three new categorical youth programs and other youth and broader training authorities.

It is true that the recently enacted CETA Amendments of 1978 require the Secretary of Labor to report to the Congress proposals for integrating and consolidating three new categorical youth programs and the new private sector initiatives program with the program established under title II of CETA, namely comprehensive employment and training services. We would like to make it clear that in recommending that OMB together with Labor explore alternatives to streamline the employment and training system and submit proposed legislation to the Congress for program consolidation where necessary, we are calling for all employment and training programs to be considered--not simply certain CETA programs. Otherwise, we would merely be recommending a band-aid approach to the problem of program proliferation.

Accordingly, we continue to believe that the complex system of federally assisted employment and training programs funded under different legislative authorities needs to be reexamined. We believe further that the scattering of employment and training programs across many Federal agencies calls attention to the need for OMB to provide overall guidance and leadership. OMB's oversight responsibility of Federal management efforts and Labor's experience in administering employment and training programs place both in a unique position to explore, in addition to possible consolidation of programs, other alternatives to streamline the employment and training system. Until such time that ways are studied to streamline the system, we sacrifice the potential for significant improvements. Implementing our recommendation would help centralize management control and provide a balanced approach to employment and training problems, thus facilitating managers' evaluation of program results.

In commenting on our report, OMB also said that the lack of coordination results largely because no single authority has the statutory mandate to influence the activities of other separately mandated authorities. OMB did not believe that we substantiated that program effectiveness and efficiency would be improved by designating a lead authority.

We did not attempt to substantiate such nor are we advocating that a single authority be designated through a statutory mandate to influence the activities of other

separately mandated authorities. We simply point out that while State Employment and Training Councils are responsible for coordinating all employment and training programs in a State, coordination is still left to the uncertain powers of persuasion because Councils do not have authority to intervene in local prime sponsor systems or to enforce coordination with non-CETA program sponsors. Coordination alone is not the solution. It must be viewed as a short-range objective. As an interim action we do recommend that OMB emphasize to Federal, State, and local agencies that administer employment and training programs, the need to coordinate the planning and operation of all such programs. We make this recommendation because it will take time to study alternatives to streamline program administration and draft proposed legislation on program consolidation for congressional consideration.

OMB did not agree with our selection of the Tidewater, Virginia, area because it believes that the area is not homogeneous or socially integrated as the report implies. OMB said that the diversity of the standard metropolitan statistical area calls into question the interdependence/ interrelatedness of the array of programs identified, upon which the need for coordination is premised.

First, by definition the general concept of a metropolitan area is one of an integrated economic and social unit with a recognized urban population nucleus of substantial size. Virtually all of the population of the Tidewater, Virginia, area is included in a designated standard metropolitan statistical area. Second, the main point of this report is not the need for coordination but the need to simplify a myriad of federally assisted employment and training programs. Finally, all local areas receive Federal assistance to operate most of the same types of employment and training programs that were identified in the Tidewater, Virginia, area.

In its January 16, 1979, comments, Labor agreed to cooperate with any efforts that may result from our recommendation regarding exploring alternatives to streamline the employment and training system. Labor noted that those efforts will, of course, have to be coordinated with other departments concerned with manpower programs.

Labor also said that the report was well researched and documented. Labor commented further that

"With the major reorganization of 1973 which put into effect the Comprehensive Employment and Training Act, it was anticipated that each jurisdiction would focus on those programs that served its special requirements and that many side-by-side efforts would be eliminated.

"In practice, many prime sponsors [generally State or local governments] have made only limited use of their discretion to weed out programs, consolidate, or effect greater control over coordination of efforts in existence."

We fully agree. Labor's comment tends to reinforce our findings on this subject.

Regarding our recommendation to submit proposed legislation to the Congress for program consolidation where necessary, Labor felt that, before acting on this recommendation, it would seem appropriate to wait to observe the effect of the new CETA amendments which reemphasize, expand, and strengthen coordination requirements.

We disagree. It is true that the new CETA amendments broaden program coordination requirements and reemphasize the importance of coordinating federally assisted employment and training programs. The changes in the new legislation should encourage State Employment and Training Councils, prime sponsors, and others to improve coordination. The fact remains, however, that while responsibility to coordinate all employment and training, education, and related services rests with State Employment and Training Councils, they were not given specific authority to intervene in local prime sponsor systems or to enforce coordination with non-CETA program sponsors. Given the sheer number and variety of programs, effective coordination is still difficult at best. We believe that the key to significantly improved program administration is fewer programs and a more streamlined employment and training system.

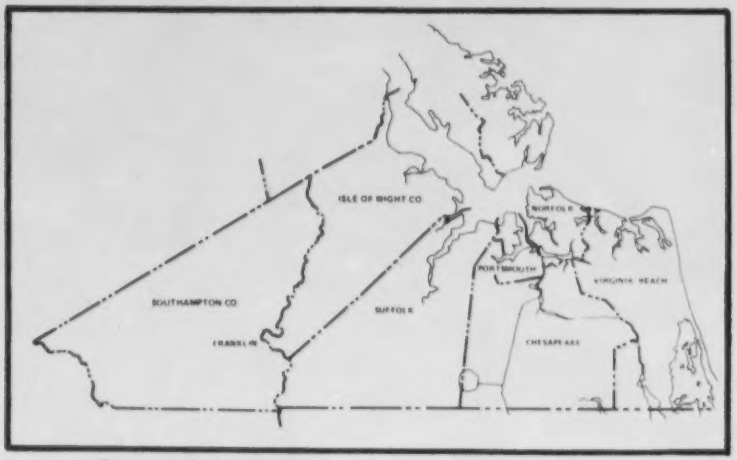
In its comments, Labor also noted agency actions initiated and planned regarding a new training program on labor market information and CETA planning. These actions, if effectively implemented and carried out, should help to improve planning for federally assisted employment and training efforts. Labor noted further that a redesign of CETA's information system, to become effective in fiscal year 1980, is also planned. This action, however, is confined to CETA programs. Therefore, the need for adequate data to evaluate

the federally assisted employment and training effort will continue to be a problem. Until all employment and training program data are viewed in the aggregate, the performance improvements that all employment and training programs yield will not be determinable.

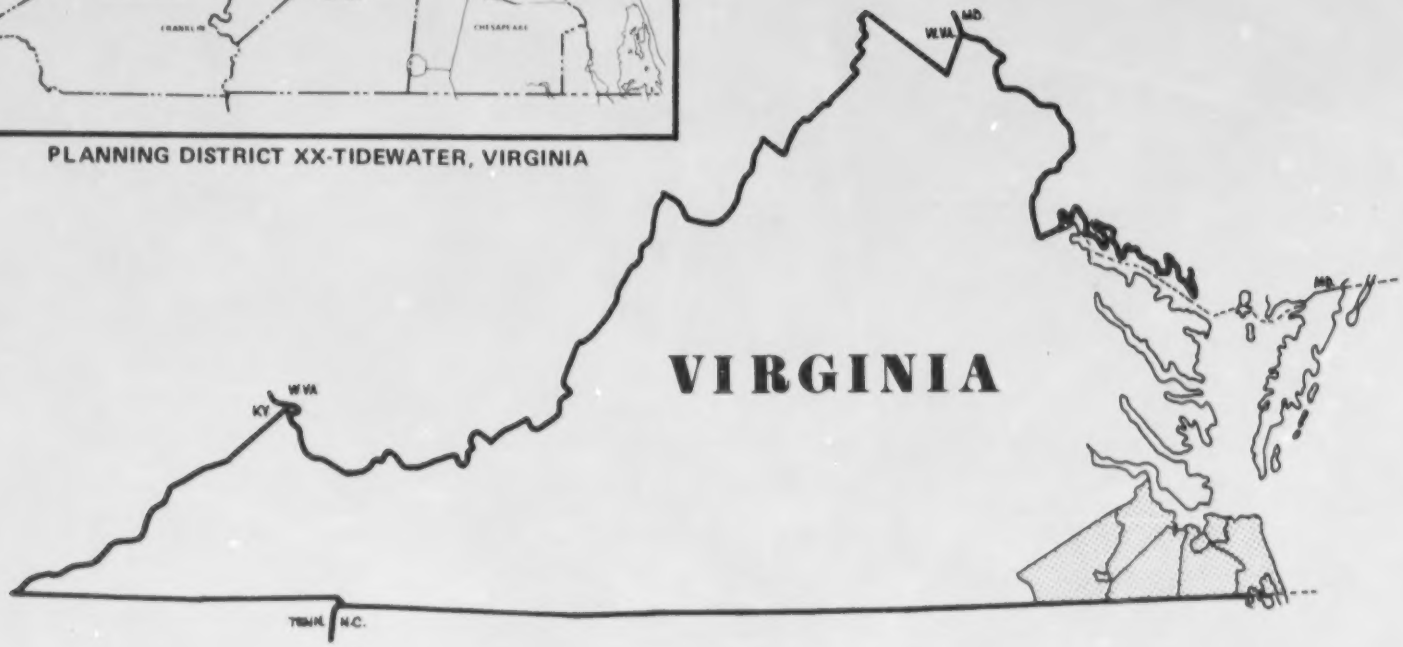
Virginia's January 4, 1979, comments concurred with the basic findings of our study but shared Labor's view regarding allowing time for the new CETA amendments on coordination to demonstrate their effectiveness before making recommendations to the Congress for changes in Federal statutes. Our response to Labor also applies to the State's comment.

Virginia also commented that coordination at the State and local level has been a major area of emphasis and will continue to be so in the future. It said, however, that the success or failure of the local coordination system must rest with the prime sponsor. We do not fully agree. Planning at the local level also has vertical aspects because certain employment and training programs are funded and/or delivered by Federal and State agencies. Therefore, the vertical aspects of planning and hence coordination require both Federal and State agency involvement in concert with local agencies. We believe that local agencies cannot be expected to achieve coordination when it is lacking or limited at the Federal or State level.

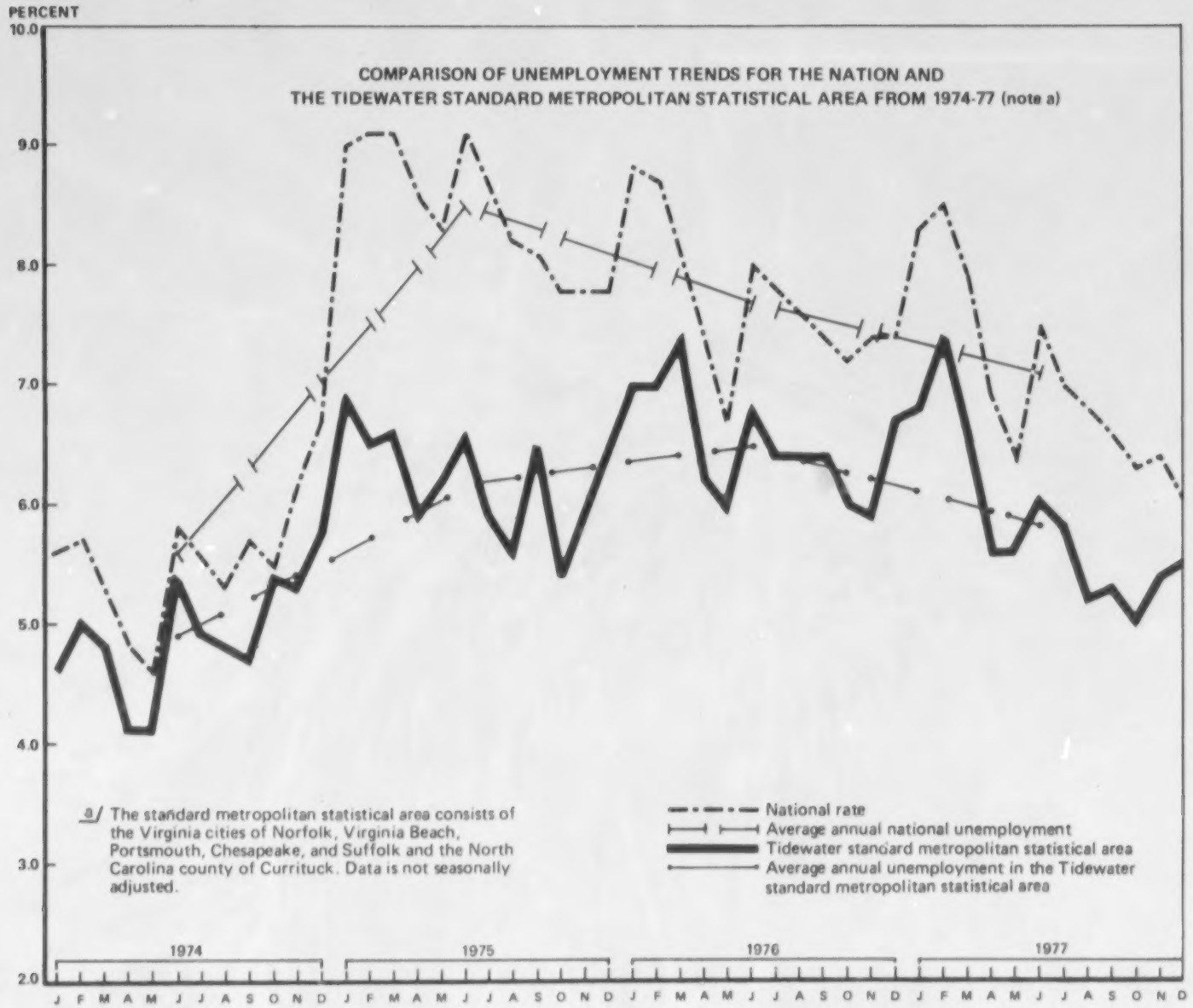
The Southeastern Tidewater Area Manpower Authority, the local CETA prime sponsor, also provided comments by letter dated December 18, 1978. These comments have been recognized in the report, where appropriate.



PLANNING DISTRICT XX-TIDEWATER, VIRGINIA



APPENDIX I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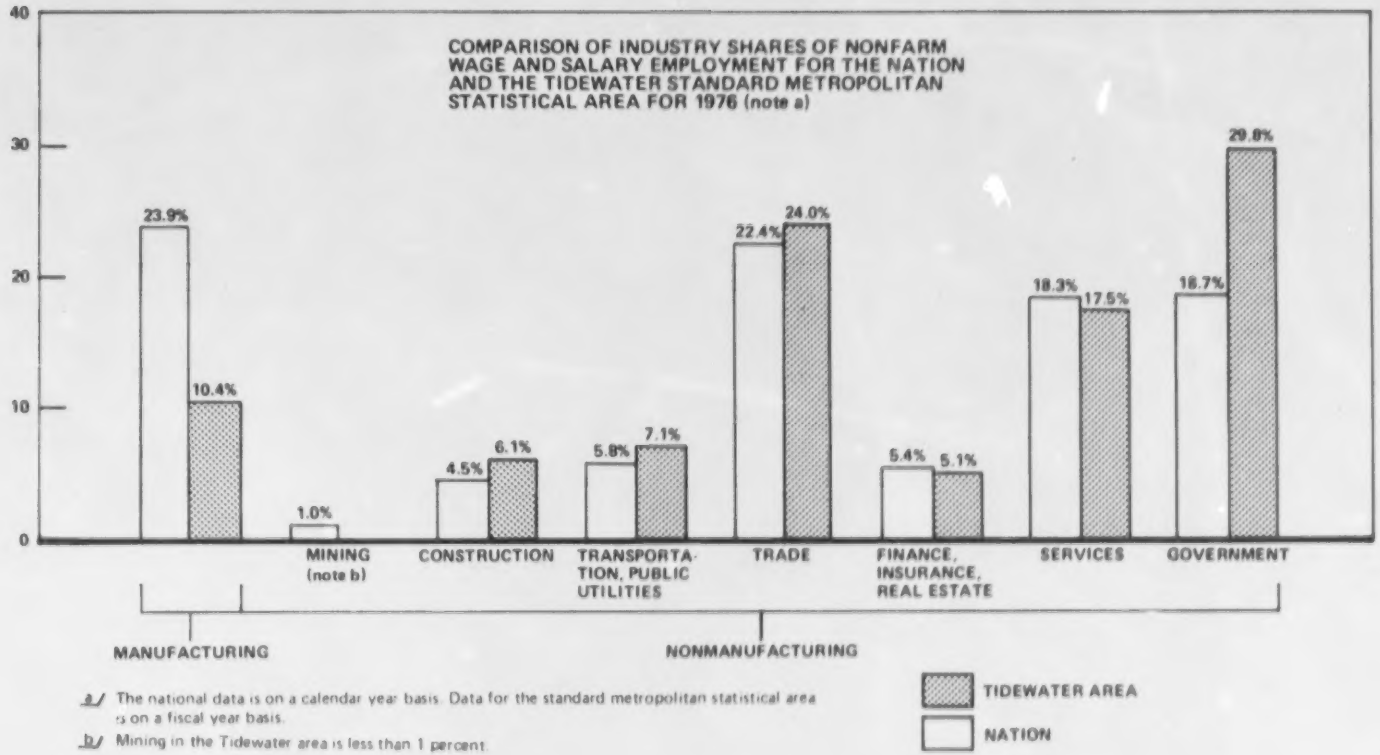
COMPARISON OF UNEMPLOYMENT TRENDS FOR THE NATION AND
THE TIDEWATER STANDARD METROPOLITAN STATISTICAL AREA FROM 1974-77 (note a)
a/ The standard metropolitan statistical area consists of the Virginia cities of Norfolk, Virginia Beach, Portsmouth, Chesapeake, and Suffolk and the North Carolina county of Currituck. Data is not seasonally adjusted.
National rate
Average annual national unemployment
Tidewater standard metropolitan statistical area
Average annual unemployment in the Tidewater standard metropolitan statistical area
1974
1975
1976
1977
J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D

APPENDIX II



a/ The national data is on a calendar year basis. Data for the standard metropolitan statistical area is on a fiscal year basis.

b/ Mining in the Tidewater area is less than 1 percent.

APPENDIX III

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 UNDER SPECIFIC PROVISIONS MANDATED BY FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Comprehensive Manpower Services	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 801)	Department of Labor	-	Southeastern Tidewater Area Manpower Authority (STAMA)	To provide job training and employment opportunities for economically disadvantaged, unemployed, and underemployed; and to assure that training and other services lead to maximum employment opportunities and enhance self-sufficiency by establishing a flexible, decentralized system of Federal, State, and local programs.	$5,832,800	2,213
Vocational Education	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 822)	Department of Labor	Governor's Manpower Services Council	Southeastern Tidewater Area Manpower Authority	To supplement the institutional cost of vocational classroom training and services provided the unemployed, underemployed, or economically disadvantaged.	377,842	528
Public Service Employment	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 841)	Department of Labor	-	Southeastern Tidewater Area Manpower Authority	To provide unemployed and underemployed persons with transitional employment in jobs providing needed public services and, wherever feasible, related training and manpower services to enable such persons to move into unsubsidized jobs.	3,063,244	516
Summer Program for Economically Disadvantaged Youth	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 874(a)(3))	Department of Labor	-	Southeastern Tidewater Area Manpower Authority	To provide summer employment, training, counseling, and job preparation for economically disadvantaged youth ages 14 through 21.	1,721,627	2,171

APPENDIX IV

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS
IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977
UNDER SPECIFIC PROVISIONS MANDATED BY FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Emergency Jobs Program	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 962)	Department of Labor	-	Southeastern Tidewater Area Manpower Authority	To provide transitional employment for unemployed and underemployed persons in jobs providing needed public services, and training and manpower services related to such employment which are otherwise unavailable, and enable such persons to move into unsubsidized jobs.	$4,848,729	1,087
Work Incentive Program (WIN)	Social Security Act (42 U.S.C. 630), Revenue Act of 1971 (26 U.S.C. 31 et. seq.), Tax Reform Act of 1976 (26 U.S.C. 50A), Unemployment Compensation Amendments of 1976 (42 U.S.C. 601 et. seq.)	Department of Labor; Department of Health, Education, and Welfare	Virginia Employment Commission, State Dept. of Welfare	Local Virginia Employment Commission and Welfare Offices	To move men, women, and out-of-school youth (ages 16 and older), from dependency on aid to families with dependent children (AFDC) grants to economic independence through meaningful permanent, productive employment by providing training, placement, and other related services supplemented by supportive services.	306,868	470
Vocational Rehabilitation for the Handicapped	Rehabilitation Act of 1973 (29 U.S.C. 701)	Department of Health, Education, and Welfare	Department of Vocational Rehabilitation	Department of Vocational Rehabilitation Regional Office	To develop and implement comprehensive and continuing State plans for meeting the current and future needs for providing rehabilitation services to handicapped individuals so they may prepare for and engage in gainful employment.	1,531,395	4,127
Vocational Rehabilitation for the Visually Handicapped	Rehabilitation Act of 1973 (29 U.S.C. 701)	Department of Health, Education, and Welfare	Virginia Commission for the Visually Handicapped	Commission for the Visually Handicapped District Office	To provide the same services to the visually handicapped as provided by the Vocational Rehabilitation for the Handicapped program.	490,512	554

APPENDIX IV

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS
IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977
UNDER SPECIFIC PROVISIONS MANDATED BY FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
On-the-Job Training for Veterans	Vietnam Era Veterans' Readjustment Assistance Act of 1972 (38 U.S.C. 1787)	Veterans Administration	Committee on Veterans Education	-	To provide eligible veterans with apprenticeship or other on-the-job training opportunities.	$ 1,402,877	622
Vocational Rehabilitation for Disabled Veterans	Vietnam Era Veterans' Readjustment Assistance Act of 1972 (38 U.S.C. 1502)	Veterans Administration	-	-	To train disabled veterans for the purpose of restoring employability.	4,867	2
Trade Adjustment Assistance-Workers	Trade Act of 1974 (19 U.S.C. 2271)	Department of Labor	Virginia Employment Commission	Virginia Employment Comission Offices in Portsmouth, Chesapeake	To provide eligible unemployed workers with job help in adjusting to their changed economic conditions caused by import competition. Job assistance includes weekly trade adjustment assistance (cash benefits), training, counseling, job referral, and job search and relocation allowances.	474,415	401
Employment Services	Wagner-Peyser Act of 1933 (29 U.S.C. 49) and the Social Security Act of 1935 (42 U.S.C. 501)	Department of Labor	Virginia Employment Commission	Virginia Employment Commission Offices	To place persons in employment by providing a variety of placement-related services to job seekers and to employers seeking qualified individuals to fill job openings.	1,190,899	55,468
Apprenticeship Training	National Apprenticeship Act of 1937 (29 U.S.C. 50)	Department of Labor	Bureau of Apprenticeship and Training State Office	Bureau of Apprenticeship and Training Local Office	To establish and promote the adoption of labor standards necessary to safeguard the welfare of apprentices, by bringing together employers and labor to plan and sponsor apprenticeship programs; to approve and register programs; and give employers technical assistance on training. Services are provided for high school graduates 26 years and under by establishing programs rather than direct placement.	45,000	Not applicable
Total for the 13 programs						$21,291,075	68,159

APPENDIX IV

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Skill Training Employment Placement-Upward Progress Program (STEP-UP)	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Norfolk Office for STEP-UP	To assist offenders, especially females, in obtaining employment.	$ 87,745	99
Joint Venture—Vocational Rehabilitation of the Mentally Retarded	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Southeastern Virginia Training Center	To deinstitutionalize the mentally retarded.	86,020	70
Project Link	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Norfolk Project Link Office	To provide prescriptive job placement and follow-up activities for the work ready mentally retarded.	14,625	60
Work Adjustment Services for the Handicapped	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Norfolk Goodwill Industries	To provide work adjustment training for the handicapped in a sheltered work shop setting prior to placement in the competitive market.	7,042	12
Offenders Employment Assistance Program (OEAP)	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Norfolk Office of OEAP	To develop jobs and place male offenders.	29,772	217

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Youth Opportunity Pilot Project	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	Norfolk Redevelopment & Housing Authority	To provide basic work experience, training, education, development, counseling, and economic and career exploration for youths ages 14 through 19.	$ 32,636	47
On-the-Job Training for the Mentally Retarded	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 816(c)(5))	Department of Labor	Governor's Manpower Services Council	-	To provide on-the-job training for mentally retarded citizens with an I.Q. of 80 or less.	7,728	28
National On-the-Job Training	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	Appalachian Regional Council area Office	To provide on-the-job training to disadvantaged individuals.	35,219	74
Skill Conversion and Apprenticeship Entry	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	Internat'l Union of Operating Engineers Local Union #147	To provide new and better skills for economically disadvantaged and/or unemployed and/or underemployed persons in the construction industry.	72,404	40
Apprenticeship Outreach Program	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	Hampton Roads Building and Construction Trades Council	To recruit, motivate, guide, and assist primarily minorities to gain entrance into the skilled construction trade apprenticeship programs.	69,013	52

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
On-the-Job Training	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	National Alliance of Business-men Metro Office	A partnership of business, labor, education, and Government working to secure jobs and training for veterans, needy youth, and ex-offenders.	$ 40,520	Not available
Migrant and Seasonal Farmworkers Program	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 873)	Department of Labor	-	Migrant & Seasonal Farm-workers Assoc.; Zuni, Virginia	To provide necessary services to help migrant and seasonal farmworker families find economically viable alternatives to seasonal agricultural labor, and to assist others who may remain seasonal agricultural workers.	36,960	42
Vocational Exploration Program	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 874)	Department of Labor	-	Human Resources Development Institute Local Office, Norfolk; Norfolk Development Corporation	To enable employers and unions to develop local summer programs for disadvantaged youth, ages 16 through 21, to provide them with the educational opportunity to explore various occupations and to understand the forces that operate in the world of work.	149,174	94

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Elevator Industry Recruitment and Training Program	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	Local 52 Elevator Contractors Union	To provide on-the-job and classroom training to assist minorities and others enter the elevator industry.	$ 9,204	15
Job Development and Placement	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 871)	Department of Labor	-	Human Resources Development Institute Local Office Norfolk	To work with unions to develop jobs and refer individuals to the employment service.	75,000	Not applicable
Job Corps	Comprehensive Employment and Training Act of 1973 (29 U.S.C. 911)	Department of Labor	Virginia Employment Commission	Virginia Employment Commission Local Offices	To assist low-income youth ages 14 through 21 to gain the education and skills necessary for employment and to provide placement services after training.	a/72,575	550

a/ Amount shown includes only recruitment and placement costs as Job Corps training centers are located outside the Tidewater area.

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal Year 1977	
		Federal	State	Local		Funding	Participants served
Employment for Seniors	Social Security Act (42 U.S.C. 3028)	Federal Regional Council	Virginia Employment Commission	Virginia Employment Commission Local Offices	To help persons 55 and older find suitable jobs by providing job placement and referrals, counseling, and other services.	$ 17,636	266
Youth Conservation Corps - Back Bay	Youth Conservation Corps Act of 1972 (16 U.S.C. 1701)	Department of the Interior	Virginia State Board of Education	Back Bay National Wildlife Refuge	To further the development and maintenance of the Nation's national resources by providing gainful employment for youth ages 15 through 18 on Federal lands and improving the environmental understanding of youth.	14,400	14
Youth Conservation Corps - Dismal Swamp	Youth Conservation Corps Act of 1972 (16 U.S.C. 1701)	Department of the Interior	Virginia State Board of Education	Dismal Swamp National Wildlife Refuge	(Same as Back Bay program.)	24,000	25
Job Opportunities Program	Public Works and Economic Development Act of 1965 (42 U.S.C. 3246)	Department of Commerce	Office of Economic Development	City of Norfolk	To provide emergency financial assistance to stimulate, maintain, or expand job creating activities in urban and rural areas suffering from unusually high levels of unemployment. Clients are low income or economically disadvantaged individuals from the designated project area.	71,745	17
Highway Supportive Services Program	Federal-Aid Highway Act of 1970 (23 U.S.C. 140)	Department of Transportation	Virginia Department of Highways and Transportation	Virginia Employment Commission Norfolk	To provide supportive services such as recruiting, counseling, and remedial training to support the highway construction on-the-job training program for minorities and women.	54,838	45

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Highway Supportive Services Program	Federal-Aid Highway Act of 1970 (23 U.S.C. 140)	Department of Transportation	Virginia Department of Highways and Transportation	Urban League Field Office	To recruit, screen, and refer for placement; provide supportive services; and followup to minorities and disadvantaged individuals for employment and training in highway construction.	$ 67,609	44
Operation Manpower	Urban Mass Transportation Act of 1964 (49 U.S.C. 1605)	Department of Transportation	-	Appalachian Regional Council Area Office	To develop and test basic training programs involving the recruiting, skill development and upgrading of personnel in various jobs needed in the transit industry, particularly in small bus companies. Groups to be served include veterans, minorities, and the unemployed, underemployed or economically disadvantaged.	14,214	(b)
Federal Employment for Disadvantaged Youth-Part-Time	Civil Service Act (5 U.S.C. 3302)	Civil Service Commission	-	Local Federal agencies	To give disadvantaged young people, ages 16 through 21, an opportunity for part-time employment with Federal agencies so they may continue their education without financial interruption.	Not available	Not available
Federal Employment for Disadvantaged Youth-Summer	Civil Service Act (5 U.S.C. 3302)	Civil Service Commission	-	Local Federal agencies	To give disadvantaged young people, ages 16 through 21, an opportunity for meaningful continuous summer employment.	Not available	Not available

b/At the time of our fieldwork, no participants had enrolled in the program because program agent's survey to identify training needs was still in process.

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Senior Community Service Employment Program - Norfolk	Title IX of the Older Americans Act of 1965 (42 U.S.C. 3056)	Department of Labor	-	National Retired Teachers Assoc. - American Assoc. of Retired Persons, Norfolk	To provide, foster, and promote useful and part-time work opportunities in community service activities for unemployed low-income persons ages 55 and over who have poor employment prospects.	$ 134,500	36
Senior Community Service Employment Program - Isle of Wight County	Title IX of the Older Americans Act of 1965 (42 U.S.C. 3056)	Department of Labor	-	Seashore State Park and Isle of Wight County	To provide, foster, and promote useful and part-time work opportunities in community service activities for unemployed low-income persons ages 55 and over who have poor employment prospects	39,887	23
Norfolk Public Works Employment Project	Title I, Public Works Employment Act of 1976 (42 U.S.C. 6707)	Department of Commerce	Office of Economic Development	City of Norfolk	To provide employment opportunities for unemployed and underemployed persons in areas of high unemployment through construction or renovation of useful public facilities.	722,000	140
Portsmouth Public Works Employment Project	Title I, Public Works Employment Act of 1976 (42 U.S.C. 6707)	Department of Commerce	Office of Economic Development	City of Portsmouth	(Same as Norfolk project.)	749,913	193

APPENDIX V

FEDERALLY ASSISTED EMPLOYMENT AND TRAINING PROGRAMS IN THE TIDEWATER, VIRGINIA, AREA FUNDED DURING FISCAL YEAR 1977 BY DISCRETIONARY ACTIONS OF FEDERAL OR STATE AGENCIES UNDER GENERAL PROVISIONS OF FEDERAL LAW

Program title	Legislative authority	Administering agency			Purpose of the program and group served	Fiscal year 1977	
		Federal	State	Local		Funding	Participants served
Senior Companion Program	Domestic Volunteer Service Act of 1973 (42 U.S.C. 5011)	ACTION	Virginia State Office on Aging	South-eastern Virginia Area Model Project	To provide part-time opportunities for low-income persons, age 60 and over to render supportive person-to-person services to adults with special or exceptional needs, including services to adults having developmental disabilities or other special needs for companionship.	$ 152,283	63
Indochinese Manpower Program	The Indochina Migration and Refugee Assistance Act of 1975 (22 U.S.C. 2601(b))	Department of Health, Education, and Welfare	-	St. Mary's Catholic Church, Norfolk	To provide job related English language training and skill development to refugees from Cambodia, Vietnam, and Laos who have resettled in the United States.	33,201	179
Total for the 31 programs						$2,926,903	2,445
Grand total for the 44 programs						$24,217,978	70,604

APPENDIX V

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JAN 15 1979

Mr. Allen R. Voss
Director
General Government Division
General Accounting Office
Washington, D.C. 20548

Dear Mr. Voss:

This is in reply to your letter of November 6, 1978 to James McIntyre wherein you request the OMB to comment on the draft report entitled "Federally Assisted Employment and Training: Need to Simplify a Myriad of Programs." We appreciated the opportunity to review this report. Following are comments offered for your consideration.

First, the report serves usefully to reaffirm a generally held understanding that there has been a substantial number of special purpose employment and training programs enacted, which now constitute a complex set of programs for State and local governmental entities to administer. We believe, however, that the number of programs and the apparent lack of coordination by itself is not sufficient to draw the conclusion that inefficiencies or waste exist. They certainly may, yet the report fails to substantiate this conclusion. Perhaps, for example, if this report clearly documented situations resulting in money not being spent wisely, planners and legislators could then focus on that problem. Overall, the findings and recommendations are too general in nature.

Second, lack of coordination in this area results largely because no single authority has the statutory mandate to influence the activities of other separately mandated authorities. If it were substantiated that program effectiveness and efficiency would be improved by designating a lead authority, corrective legislation could be proposed. The report does not make the case, nor does it offer clear guidance on how to judge which program authority should have superseding authority if that were appropriate. In the near term there are circumstances where specific needs of overriding importance may dictate categorical measures.

For example, four new categorical youth programs were begun in 1977 in response to immediate concerns about youth

unemployment. Authorization for three of them expire in 1980. Congress has already stipulated that recommendations are required from the Executive Branch on integration and consolidation of these and other youth and broader training authorities prior to consideration of reauthorization. GAO could use the youth area as an opportunity for an in-depth study of possible overlap and duplication. This could provide timely hard evidence and the basis for concrete recommendations that is lacking in the current report.

With respect to study methodology, we recognize the resource and time benefit of targeting an inquiry in one representative metropolitan area of the U.S. However, the area selected for the study (Tidewater Planning Region) is not homogeneous or socially integrated as the report implies. It reflects an array of settlement patterns, diverse economic activity, large geographic area and dispersed population concentrations. These factors call into question the interdependence/interrelatedness of the array of programs identified in the report, upon which the need for coordination is premised. In this connection it may be beneficial to examine more than one metropolitan area and focus on a universe of programs already identified as competing. We believe this will strengthen any case for revision of programs in this area in contrast to a study which selects a SMSA which is as diverse as the Tidewater area.

[See GAO note.]

If you or your representative would like to discuss our views further, please feel free to contact Thomas L. Hadd, Intergovernmental Relations Division (395-5156).

Thank you again for the opportunity to comment on the draft report.

Sincerely,

John White
Deputy Director

GAO note: Deleted comment refers to material contained in the proposed report which has been deleted in the final report.

APPENDIX VII

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

JAN 16 1979

Mr. Gregory J. Ahart
Director, Human Resources Division
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The draft GAO report, Federally Assisted Employment And Training: Need to Simplify a Myriad of Programs is well researched and documented. Its conclusions with respect to the substantial number of Employment and Training Administration programs currently in existence are valid, as is the observation that they involved a considerable number of Federal Government Departments and Agencies. The Department of Labor notes the recommendation to the OMB to "explore alternatives to streamline the employment and training system, including consolidation of programs where feasible with the assistance of the Secretary of Labor." The Secretary will cooperate with any efforts that may result from this recommendation. They will, of course, have to be coordinated with other Departments concerned with manpower programs. As indicated in the report, implementation of the second recommendation--to "submit proposed legislation to the Congress for program consolidation where necessary" --would have to depend on the outcome of the first effort. It would also seem appropriate to allow time to observe the effect of the new Comprehensive Employment and Training Act (CETA) amendments before acting on this recommendation.

The Department would like to raise the following additional points with respect to the above. The GAO Report accurately traces the history of manpower programs, a history which is closely linked to the social and economic changes that have occurred in this country since 1962. Comprehensive, tightly structured and controlled Federal programs of the early days gradually gave way to those that

APPENDIX VII

were able to respond more quickly to particular needs resulting from changing conditions or from an increasing awareness of existing needs. But, as a result, the number of programs proliferated. With the major reorganization of 1973 which put into effect the Comprehensive Employment and Training Act, it was anticipated that each jurisdiction would focus on those programs that served its special requirements and that many side-by-side efforts would be eliminated.

In practice, many prime sponsors have made only limited use of their discretion to weed out programs, consolidate, or effect greater control over coordination of efforts in existence. As a result, the provisions for coordination originally incorporated in CETA Sections 103, 104 and 105 were reemphasized, expanded and strengthened under the 1978 amendments.

In addition, other actions have been initiated since the time of the GAO investigation which should ameliorate some of the conditions referenced to in the report. Thus, in line with ETA's desire to establish guidelines which may be used by prime sponsors in developing and utilizing labor market information, the Department has developed and field tested a new training program on Labor Market Information and CETA planning. Over the next year, close to 1,000 planners on staffs of the 460 prime sponsors will attend a 4-day course coordinated by ETA's Regional Offices.

A redesign of the CETA information system, to become effective FY 1980, is also planned. It will take into account reporting changes mandated by the CETA amendments, including items dealing with program effectiveness as well as other changes necessary for program management purposes.

We appreciate the opportunity to have reviewed this report.

Sincerely,

R. C. DeMarco
Inspector General-Acting

Enclosure

APPENDIX VIII

COMMONWEALTH of VIRGINIA

Office of the Governor

Richmond 23219

Maurice B. Rowe
Secretary of Commerce and Resources

January 4, 1979

Mr. Gregory J. Ahart, Director
U. S. General Accounting Office
Human Resources Division
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Ahart:

I have reviewed your draft study of Federally assisted employment and training programs in the Southeastern Tidewater Manpower Authority area. While I concur with the basic findings of the study, it would be premature to draw final conclusions on program coordination from the present study. The recently enacted CETA Amendments of 1978 appear to substantially increase the coordinative responsibilities at the local level and tend to ameliorate the problem with Nationally funded CETA programs in local areas. Likewise, the establishment of a Private Industry Council under Title VII of the CETA Amendments should insure a better integration of employment and training programs in the private sector. Therefore, it would be more appropriate to give the new system an opportunity to demonstrate its effectiveness prior to making recommendations to the Congress on changes in Federal statutes.

Coordination at the State and local level has been a major area of emphasis with our Council and will continue to be so in the future. In an effort to eliminate the proliferation of job developers visiting private employers, we recently established a policy on this matter (copy attached). It is hoped that this will lead to positive steps in the reform of some of the problems you described in your study. However, you must recognize that our overall ability to provide assistance in the development of coordination at the local level is limited by constraints on time and staff availability. The ultimate success or failure of the local coordinative system must rest with the prime sponsor.

If I can be of further assistance please contact me.

Sincerely,

Maurice B. Rowe

GOVERNOR'S MANPOWER SERVICES COUNCIL

POLICY STATEMENT 79-01

I. Reference:

Section 107(b)(2), Comprehensive Employment and Training Act of 1973.

II. Purpose:

To provide policies and procedures to be used in the coordination of job development activities.

III. Background:

a. The cited reference requires the Council to make recommendations to prime sponsors and State agencies on ways to improve the effectiveness of employment and training programs or services.

b. In many instances, employers have expressed concern over the large number of job developers from State agencies, contractors of prime sponsors, and others that call upon them about job openings. This unfortunate situation frequently results in a refusal on the part of employers to deal with any job developer and works to the detriment of the client.

IV. Policy:

State agencies and programs with a job development component and prime sponsors will contact the Virginia Employment Commission (VEC) for the purpose of developing a local plan of action for the coordination of job development where one does not exist. This agreement may include but is not limited to the establishment of a central clearinghouse for job development activities and the establishment of a joint employer-job development working group to facilitate coordination with the business community.

The VEC will be designated as the lead agency to coordinate job development activities in the local area.

11-22-78
Date

Maurice B. Rowe, Chairman

APPENDIX IX

SOUTHEASTERN TIDEWATER AREA MANPOWER AUTHORITY

JANAF EXECUTIVE BUILDING ● SUITE 300 ● P. O. BOX 12072 ● NORFOLK, VIRGINIA 23502 ● TELEPHONE (804) 461-3048

December 18, 1978

Mr. Gregory J. Ahart
Director
U. S. General Accounting Office
Human Resources Division
Washington, D. C. 20548

Dear Mr. Ahart:

Please find enclosed comments on the draft report of the Federally Assisted Employment and Training: Need to Simplify Myriad of Programs.

Sincerely,

Marcellus C. Heath, III
Executive Director

MCH:fle

Enclosure

SECTION REFERENCED	COMMENTS
Page iii	Need to clarify the reference to local administration as having accounted for two-thirds of the twenty-four million but only having administrative responsibility for five programs. The statement as it now stands severely misrepresents local CETA administration.
Page v	The results of the survey of employees should be specified as from those employers surveyed. The job retention rate is not representative of program accomplishments when used without an indication of former CETA participants still employed although not with the employer of original placement. The result as stated ignores the realities of labor market behavior.
Page 17	The chart is technically accurate, however, it does not show coordination which does exist specifically between the local prime sponsor and the GMSC on four percent (4%) funded programs. That same deficiency exists in the narrative body of the report.
Page 34, Paragraph 4	Employers will respond to a questionnaire based logically upon what they know. It must bear some credibility to realize that CETA clients do not wear labels and would be difficult to identify who came from CETA and who did not. I suspect the employer response is more indicative of employer participation in private sector OJT and hires from that program.
Page 39-40	This section on program coordination is a bit too simplistic. The problem stems from legislated delivery systems that may or may not intermingle at the level of implementation. The need to coordinate is not in response to program proliferation per se, but in response to service delivery structures that should be most useable to the targeted client. If legislation is fraught full of compromise and inadequate planning then so will the end product be. Specific linkages with specific purposes and supported by the federal agencies involved with implementation should be the path toward resolution.

GAO note: Page references to the draft report were changed to correspond to page numbers in the final report.

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